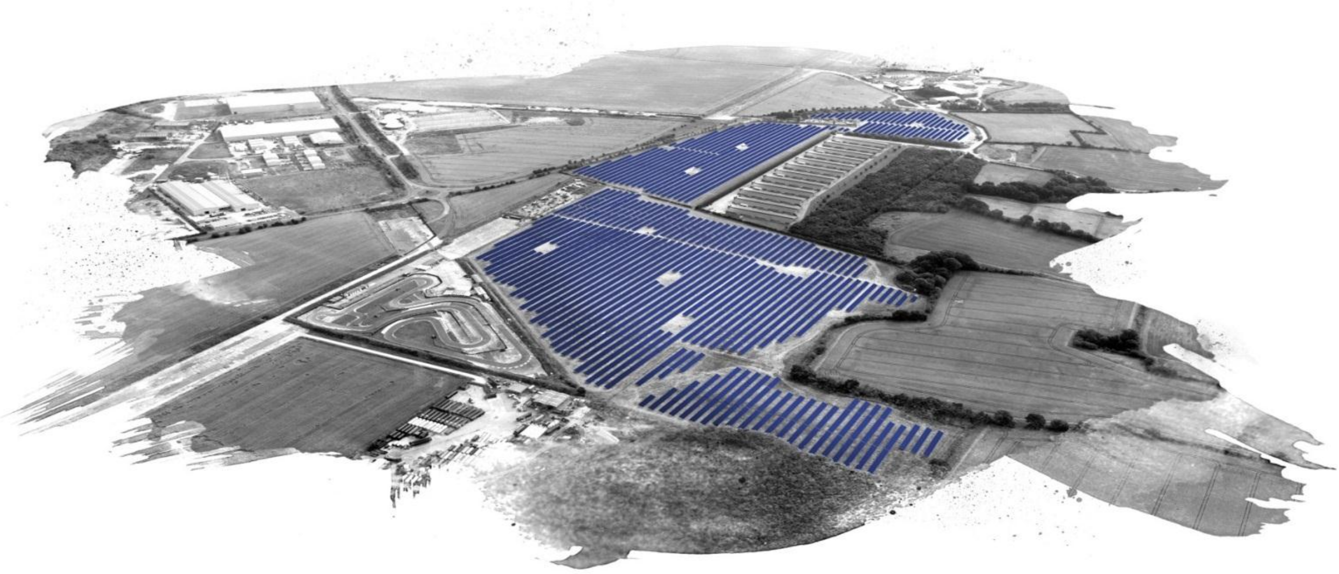
NextEnergy Solar Fund Limited

Interim Report and Unaudited Financial Statements
for the period ended 30 September 2014



NEXTENERGY SOLAR FUND

Contents

Principal Activities and Investment Objective

NextEnergy Solar Fund Limited ("the Company") seeks to provide investors with a sustainable and attractive dividend that increases in line with RPI over the long term by investing in a diversified portfolio of solar photovoltaic assets that are located in the UK. In addition, the Company seeks to provide investors with an element of capital growth through the re-investment of net cash generated in excess of the target dividend in accordance with the Company's investment policy.

Structure

NextEnergy Solar Fund Limited is a closed-ended investment company limited by shares, registered and incorporated in Guernsey under the Companies (Guernsey) Law, 2008, as amended, on 20 December 2013, with registration number 57739. The Company is a Registered Closed-ended Collective Investment Scheme registered by the GFSC pursuant to the Protection of Investors (Bailiwick of Guernsey) Law 1987, as amended.

Pursuant to its IPO, the Company announced on 25 April 2014 that 85.6 million ordinary shares in the Company were admitted to the premium listing segment of the Official List of the UKLA and to trading on the London Stock Exchange's main market for listed securities under the ticker "NESF".

The Company makes its investments through NextEnergy Solar Holdings Limited ("UK Holdco") and underlying SPVs which are ultimately wholly owned by the Company. The UK Holdco was registered and incorporated in England and Wales under The Companies Act, 2006, as amended, on 24 March 2014, with registration number 08956168. The Company controls the investment policy of each of the UK HoldCo and its wholly-owned SPVs in order to ensure that each will act in a manner consistent with the investment policy of the Company.

The Investment Manager during the period was NextEnergy Capital IM Limited ("the Investment Manager"), a company incorporated in Guernsey with registered number 57740 and is licensed under the Protection of Investors (Bailiwick of Guernsey) Law, 1987 as amended (the "POI Law") and regulated by the GFSC. The Investment Manager has appointed NextEnergy Capital Limited ("the Investment Adviser"), a Company incorporated in England and Wales on 23 October 2006 with registered number 05975223, to provide investment advice, pursuant to an Investment Advisory Agreement.

Introduction

On behalf of the Board, I am pleased to present the interim report for NextEnergy Solar Fund Limited (the "Company") for the period from 20 December 2013 to 30 September 2014.

The Company is listed on the premium segment of the London Stock Exchange on 25 April 2014. The Company raised £85.6 million from a high-quality group of investors, including institutions and private wealth managers.

The Company's investment strategy is to leverage its investment manager's experience and expertise in the solar market to acquire and retain operating solar power projects located exclusively in the UK, with a view to providing its investors with a stable long-term dividend linked to RPI.

The Company's Investment Manager is NextEnergy Capital IM Limited and its Investment Advisor is NextEnergy Capital Limited, both part of the NextEnergy Capital group of companies ("NEC"). NEC is the leading specialist asset manager for solar power plants, managing and monitoring over 1,100 utility-scale plants for a total of more than 1,000MWp and an estimated asset value of approximately £3 billion.

The Company had a successful start as a listed entity, with the Company demonstrating a strong underlying investment track record and excellent operating results from the operating assets acquired. In addition, the Company's share price has traded at a premium to its opening NAV since its listing.

In the period to 30 September 2014, the Company announced seven separate acquisitions for a total investment value of up to c. £80.5 million, representing 94% of its IPO proceeds. The seven projects amount to an installed capacity of some 67.5MWp.

On 17 September 2014, a subsidiary of the Company, NextEnergy Solar Holdings Limited, secured a revolving credit facility ("RCF") of up to £31.5 million from Macquarie Bank Limited ("Macquarie"). The debt facility has been designed to allow the Company to secure additional projects sourced by NEC on behalf of the Company. The Company, on behalf of the UK Holdco, undertook a competitive selection process among debt providers before signing the RCF with Macquarie to ensure its terms were the best available to the Company in the market.

Financial Results

Revenues for the period amounted to £3.18 million and profit and comprehensive income amounted to £2.67 million. The increase in NAV per share since the IPO was 3.1p. Earnings per share (measured on the weighted average number of shares in the period to 30 September 2014) amounted to 5.6p.

The net asset value ("NAV") per share at the end of the period amounts to 103.1p, an increase of 3.1% over the Company's opening NAV of 100p per share at IPO on 25 April 2014. More details of the Company's financial performance are set out in the financial statements.

Acquisitions

During the period, the Company announced the acquisition of seven individual solar power plants. Three of the seven acquisitions were completed, while the remaining four transactions are on track for completion before the Company's year-end in line with expectations.

The three solar power plants acquired amount to 27.3MWp in capacity. Each of the individual power plants is demonstrating operational performance in excess of expectations.

The four remaining acquisitions will be completed once the respective solar power projects are commissioned and/or achieve their preliminary acceptance certificates ("PAC"). NEC is actively involved in monitoring the construction of these four plants and reports satisfactory progress at all of them.

Valuation Policy

The Company's investments are measured at fair value for reporting purposes. Operating assets are valued on the basis of discounted cash flows prepared by the Investment Manager and approved by the Board. Projects under construction are valued at the acquisition price agreed with the respective vendor.

The Board is satisfied that the valuations prepared by the Investment Manager are based on market terms and has approved the valuation of £55.9 million for the Company's portfolio of seven solar power plants. A breakdown of the valuation is detailed in the report.

Capital Raising

On October 9th 2014 the Company announced a proposed placing programme ("PPP") of up to 250 million new shares. The PPP provides the Company with the flexibility to issue ordinary shares and/or C-shares to finance incremental acquisitions from investment opportunities secured by NEC on behalf of the Company.

In addition to any capital raised from the PPP (if approved), the Company also intends to utilise its RCF to secure further projects from the portfolio of opportunities described above.

Going Concern

Under the UK Corporate Governance Code and applicable regulations, the directors are required to satisfy themselves that it is reasonable to assume that the Company is a going concern.

The directors have undertaken a rigorous review of the Company's ability to continue as a going concern including reviewing the on-going cash flows and the level of cash balances as of the reporting date as well as taking forecasts of future cash flows into consideration.

After making enquiries of the Investment Manager, the Investment Adviser and the Administrator, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt a going concern basis in preparing these unaudited financial statements.

Outlook

The Company and its board are satisfied with the results achieved to date, both in terms of investment record and operating and financial performance. The Board is encouraged by the portfolio of opportunities sourced by NEC which provide the foundation for the Company's further growth and continued achievement of its strategic and financial objectives.

The backdrop for the continued deployment of solar power plants in the UK remains strong, and we see the evolving regulatory environment as continuing to provide the Company with the opportunities it needs to achieve its growth ambitions.

The Board will continue to update you on progress made by the Company through market updates and other statements as appropriate.

On behalf of the Board, I would like to thank you for your commitment to the Company.

Kevin Lyon
Chairman

Kevin Lyon (non-executive chairman – chairman of the board)

Mr Lyon is a qualified chartered accountant, with over 30 years of experience in private equity and Senior Director positions in a number of different companies. He spent approximately 17 years with the 3i Group, responsible for their core private equity business across the UK, with a team of 10 Directors and 40 executives. Mr Lyon is currently chairman of Mono Global Group and also serves as an independent director of DCK Group. He was former chairman of Smart Metering Systems plc, Valiant Petroleum plc, RBG, Wyndeham Press Group, Whittards of Chelsea, Julian Graves, Craneware plc, Incline GTS and was a Non-Executive Director on Booker plc, David Lloyd Leisure and Phase 8. He is a full member of the Institute for Turnaround Professionals and won the Institute of Directors Scotland, Non-Executive Director of the Year Award in March 2013. Mr Lyon graduated from Edinburgh University in 1982 and has attended management courses at INSEAD, IESE and Ashridge. Mr Lyon is also Chairman of Cutis Developments Ltd and a non-executive Director of Ambrian plc (formerly East West Resources plc).

Patrick Firth (non-executive director – audit committee chairman)

Mr Firth is a non-executive director of the Company. He qualified as a Chartered Accountant with KPMG Guernsey in 1991 and is also a member of the Chartered Institute for Securities and Investment. Patrick is a director of a number of management companies, general partners and investment companies including Riverstone Energy Limited, JZ Capital Partners Limited, ICG-Longbow Senior Secured UK Property Debt Investments Limited, BH Credit catalysts Limited and GLI Finance Limited. He has worked in the fund industry in Guernsey since joining Rothschild Asset Management C.I Limited in 1992 before moving to become Managing Director at Butterfield Fund Services (Guernsey) Limited (subsequently Butterfield Fulcrum Group (Guernsey) Limited), a company providing third party fund administration services, where he worked from April 2002 until June 2009. Mr Firth is a former Chairman of the Guernsey Investment Fund Association (GIFA) and is currently Deputy Chairman of the Guernsey International Business Association (GIBA) Council. He is a resident of Guernsey.

Vic Holmes (non-executive director)

Mr Holmes is a FCCA and a non-executive director of the Company. He has been involved in financial services for over 30 years. In 1986, Mr Holmes joined the board of Guernsey International Fund Management Limited, Guernsey's largest fund administration company. In 1990, he was appointed managing director of the newly established Irish based Baring Asset Management subsidiary, providing international fund administration services from a Dublin base. He continued in that position until 2003, when he was appointed head of fund administration services for the Baring Asset Management group of companies, providing services out of London, Dublin, Guernsey, Isle of Man and Jersey. Subsequent to the acquisition of the Baring Asset management Financial Services Group by Northern Trust in 2005, he was appointed country head of Northern Trust's Irish businesses and, in 2007, he returned to Guernsey to assume the position of jurisdictional head of Northern Trust's Channel Island businesses. Since 1986, Mr. Holmes has served on a wide range of fund-related boards, based mainly in Guernsey and Ireland, but also in the UK, and the Cayman Islands. Mr Holmes' current directorships include Permira Holdings Limited, Generali Worldwide Insurance Company Limited, Picton Property Income Limited (London listed), a range of Ashmore funds, and a range of F&C funds. Mr Holmes was the first chairman of what is now known as the Irish Fund Industry Association which he was instrumental in establishing in 1991, and was elected as chairman of the Executive Committee of the Guernsey Investment Fund Association in April 2013.

About NextEnergy Capital

NextEnergy Capital IM Limited and NextEnergy Capital Limited, both members of the NextEnergy Capital Group (the "NEC Group"), act as Investment Manager to the Company and Investment Adviser to the Investment Manager, respectively. The NEC Group is a specialist asset manager focused on the solar energy sector, with an 11-strong team focussed on the UK solar market. Through its asset management division, WiseEnergy, the NEC Group manages and monitors over 1,100 solar power plants (comprising an installed capacity of approximately 1,000 MWp and an estimated £3.0 billon asset value) for a client base which includes leading European banks and equity investors (including private equity funds, publicly listed funds and institutional investors).

Investment Objective

The Company seeks to provide investors with a sustainable and attractive dividend that increases in line with RPI over the long term by investing in a diversified portfolio of solar PV assets that are located in the UK. In addition, the Company seeks to provide investors with an element of capital growth through the reinvestment of net cash generated in excess of the target dividend in accordance with the Company's investment policy.

Investment Policy

The Company intends to achieve its investment objective by investing exclusively in solar PV assets located in the UK.

The Company intends to continue to acquire assets that are primarily ground-based and utility-scale and which are on sites that may be agricultural, industrial or commercial. The Company may also acquire selected building-integrated installations. The assets that will be targeted will be anticipated to generate stable cash flows over their asset lifespan.

The Company will, primarily, continue to acquire operating assets, but may invest in assets that are under development (that is, at the stage of origination, project planning or construction) when acquired. Such assets will constitute (at the time of investment) not more than 10 per cent. of the Gross Asset Value in aggregate. As at period end, the Company has not invested directly in assets under development.

A significant proportion of the Group's income is expected to result from the sale of the entirety of the electricity generated by the assets within the terms of power purchase agreements ("PPA"). These are expected to include the monetisation of renewable obligation certificates ("ROC"), other regulated benefits and the sale of electricity to energy consumers and energy suppliers ("Brown Power"). Within this context, the Manager expects to conclude for the Company PPAs with creditworthy counterparties at the appropriate time. The Manager will also continue to monitor the emerging Electricity Market Reform mechanism and will consider the opportunities arising (including contracts for difference) therefrom, which may be applicable to projects completed from 31 March 2015.

The Company will continue to diversify its third party suppliers, service providers and other commercial counterparties, such as developers, EPC contractors, technical component manufacturers, PPA providers and landlords.

The Company intends to invest with a view to holding assets until the end of their useful life. However, assets may be disposed of or otherwise realised where the Investment Manager determines, in its discretion, that such realisation is in the interests of the Company. Such circumstances may include (without limitation) disposals for the purposes of realising or preserving value, or of realising cash resources for reinvestment or otherwise. The Company expects to re-invest any cash surplus (arising in excess of that required to meet the

Company's dividend target and ongoing operating expenses) in further investments, thereby supporting its long-term net asset value ("NAV").

Portfolio Highlights and Performances

In the period to 30 September 2014, the Company announced seven separate acquisitions for a total investment value of up to c. £80.4 million, representing 94% of its IPO proceeds. The seven projects amount to an installed capacity of some 67.5MWp.

Three of the seven acquisitions were successfully completed, while the remaining four transactions are on track for completion before the Company's year-end in line with expectations.

The three solar power plants acquired amount to 27.3MWp in capacity. Each of the individual power plants is demonstrating operational performance since acquisition in excess of expectations with an average over-performance of around 10% above the budgeted generation values (partially explained by the positive solar irradiation of the June and July months and partially by the higher operational performance of the assets).

The other four acquisitions will be completed once the respective solar power projects are commissioned and/or achieve their preliminary acceptance certificates ("PAC"). The Investment Manager is actively involved in monitoring the construction of these four plants and reports satisfactory progress at all of them.

During the period ending 30 September 2014, the NAV per share increased to 103.1p, an increase of 3.12% over the Company's opening NAV of 100p per share at IPO on 25 April 2014. The share price in the same period increased from 100p to 105.38p per share trading at a 2.2% premium on NAV.

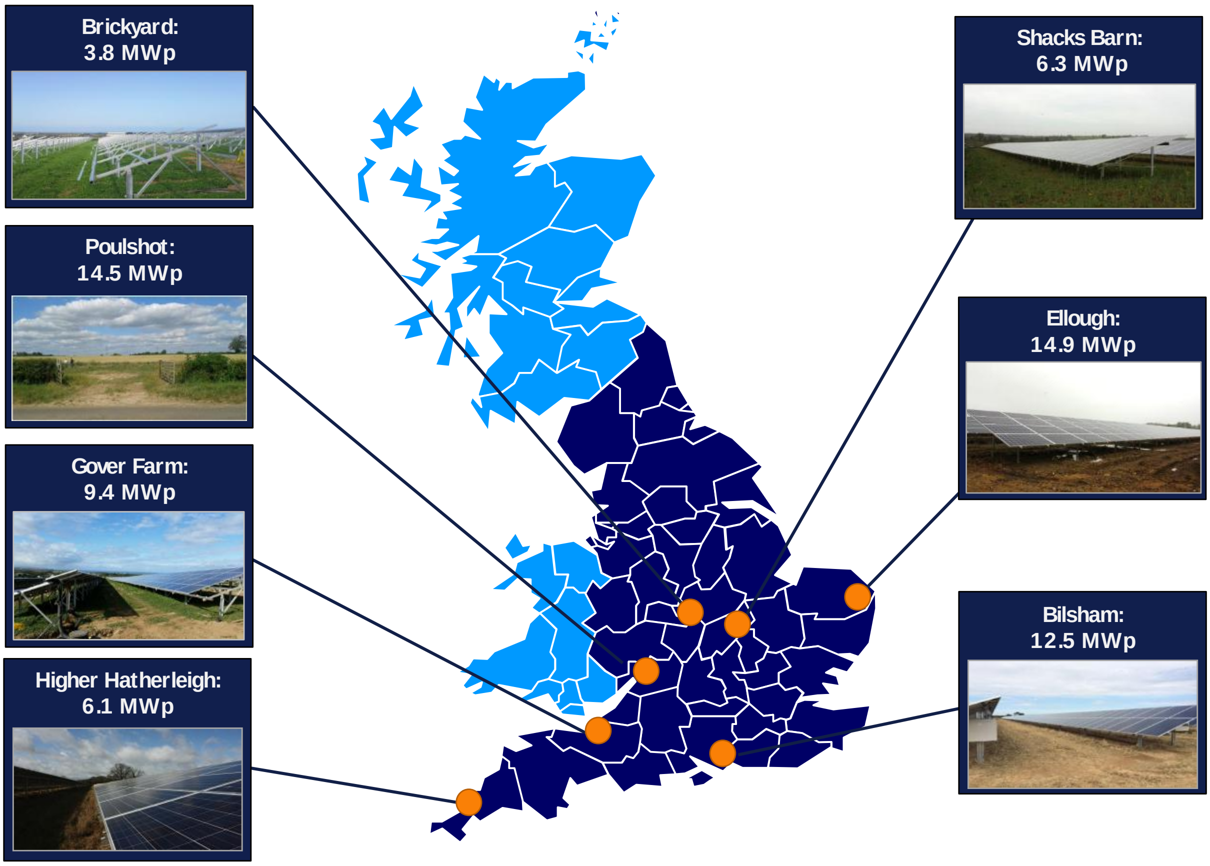
Investment Portfolio

In the period to 30 September 2014, the Company announced seven separate acquisitions for a total investment value of up to c. £80.4 million, representing 94% of its IPO proceeds. The seven projects amount to an installed capacity of some 67.5MWp.

Asset Name	Location	Investment Date	ROC regime	Plant capacity (MWp)	Acquisition value (£m)*	% of IPO proceeds
Higher Hatherleigh	Somerset	01/05/14	1.6	6.1	7.27	8.5%
Shacks Barn	Northants	09/05/14	2.0	6.3	8.12	9.5%
Gover Farm	Cornwall	23/06/14	1.4	9.4	10.68	12.5%
Bilsham	Sussex	03/07/14	1.4	12.5	15.20	17.7%
Brickyard	Midlands	14/07/14	1.4	3.8	4.02	4.7%
Ellough	Suffolk	28/07/14	1.6	14.9	19.58	22.9%
Poulshot	Wiltshire	09/09/14	1.4	14.5	15.57	18.2%
Total				**67.5**	**80.44**	**94.0%**

* Price includes transaction costs

Summary of the Investment Portfolio:



Details of each investment can be found in the tables below:

Higher Hatherleigh	
Location	Somerset
Capacity (MWp)	6.1
ROCs	1.6
EPC	Moser Baer
Panels	JA Solar
Inverter	Power One
Operational since	Apr-13

Higher Hatherleigh:
Acquired by the Company for £7.3 million, Higher Hatherleigh is a 6.1MWp solar plant located near Wincanton in Somerset, in operation since April 2013. During the period from acquisition to 30 September 2014, the plant produced ca. 4.0GWh (+13.0% vs. budget).

Shacks Barn	
Location	Northants
Capacity (MWp)	6.3
ROCs	2.0
EPC	Moser Baer
Panels	JA Solar
Inverter	Power One
Operational since	Mar-13

Shacks Barn:
Acquired by the Company for £8.2 million, Shacks Barn is a 6.3MWp solar plant located near Silverstone in Northamptonshire, in operation since March 2013. During the period from acquisition to 30 September 2014 the plant produced ca. 4.0GWh (+15.4% vs. budget).

Gover Farm	
Location	Cornwall
Capacity (MWp)	9.4
ROCs	1.4
EPC	Moser Baer
Panels	BYD
Inverter	ABB
	Under Construction

Gover Farm:
The Company entered into a binding agreement to acquire the plant, subject to PAC, for £10.7 million. Gover Farm is a 9.4MWp solar plant located near Truro in Cornwall. As of the 30th of September the plant was under construction and as at 24th October 2014 is in the process of being commissioned.

Bilsham	
Location	Sussex
Capacity (MWp)	12.5
ROCs	1.4
EPC	GDF Suez
Panels	Renesola
Inverter	ABB
	Under Construction

Bilsham:
The Company entered into a binding agreement to acquire the plant, subject to PAC, for £15.2 million. Bilsham is a 12.5MWp solar plant located near Bognor Regis in Sussex. As of the 30th of September the plant reached mechanical completion and as at 24th October 2014 is awaiting to be commissioned.

Brickyard	
Location	Warwick
Capacity (MWp)	3.8
ROCs	1.4
EPC	Moser Baer
Panels	BYD
Inverter	ABB
	Under Construction

Brickyard:
The Company entered into a binding agreement to acquire the plant, subject to PAC, for £4.0 million. Brickyard is a 3.8MWp solar plant located near Leamington Spa in the Midlands. As of the 30th of September the plant was under construction and as at 24th is in the process of being commissioned.

Ellough	
Location	Suffolk
Capacity (MWp)	14.9
ROCs	1.6
EPC	Lark Energy
Panels	Hanwha
Inverter	Free Sun
Operational since	Mar-14

Ellough:
Acquired by the Company for £19.6 million, Ellough is a 14.9MWp solar plant located on a disused airfield near Ellough in Suffolk and has been in operation since March 2014. During the period from acquisition to 30 September 2014 the plant produced ca. 3.2GWh (+0.6% vs. budget) despite significantly lower solar irradiation (-5.1% vs. estimates).

Poulshot	
Location	Wiltshire
Capacity (MWp)	14.5
ROCs	1.4
EPC	Moser Baer
Panels	BYD
Inverter	ABB
	Under Construction

Poulshot:
The Company entered into a binding agreement to acquire the plant, subject to PAC, for £15.6 million. Poulshot is a 14.5MWp solar plant located near Trowbridge in Wiltshire. The EPC contractor has commenced the preliminary works for construction and has a target date for delivery on/in advance of 28th February 2015.

Valuation of the Portfolio

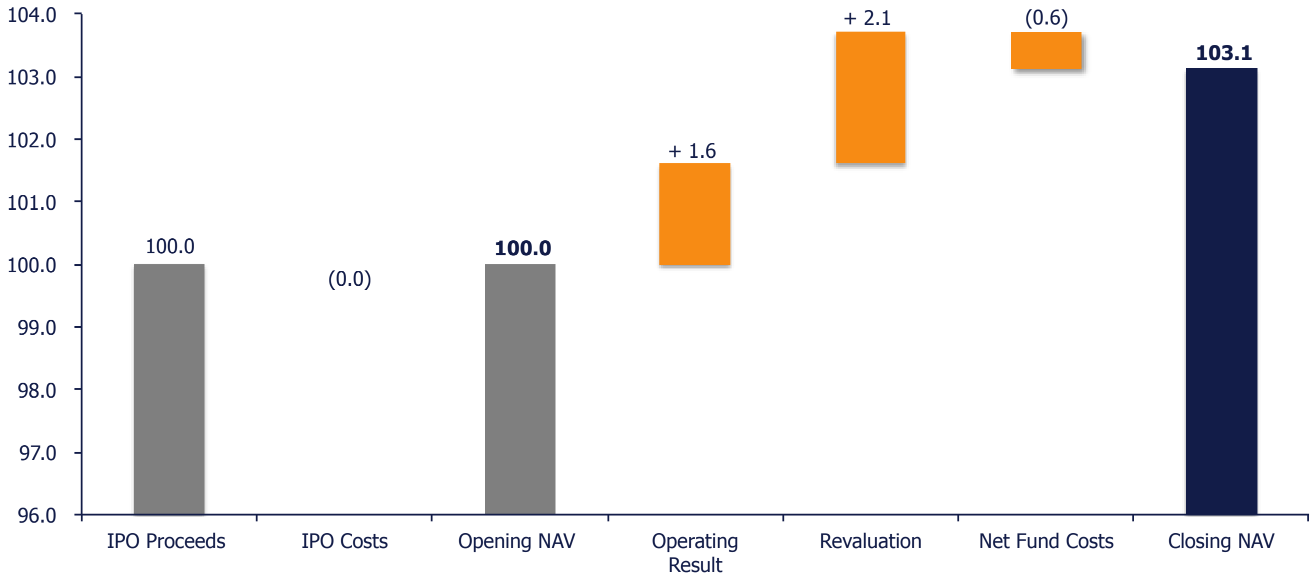
The Investment Manager is responsible for carrying out the fair market valuation of the Company's investment portfolio which is presented to the Directors for their approval and adoption. The valuation is carried out on at least a six monthly basis (at 30 September and 31 March in each year). The valuation principles used in such methodology are based on a discounted cash flow methodology, and adjusted for EVCA (European Private Equity and Venture Capital Association) guidelines.

The Investment Manager exercises its judgement based on its expertise in assessing the expected future cash flows from each investment. Fair value for each operating asset is derived from the present value of the investment's expected future cash flows, using reasonable assumptions and forecasts for revenues and operating costs, and an appropriate discount rate based on comparable market transactions. Assets under construction are conservatively valued at their acquisition cost as an estimate of fair value.

Calculation of Net Asset Value

The Company's NAV is calculated on a semi-annual basis based on the valuation of the portfolio determined by the Investment Manager. It is then reviewed and approved by the Board of the Company. NAV per Share as of 30 September 2014 is 103.1p (corresponding to an overall NAV of £88,272,968).

A breakdown in the growth of NAV per Share since the IPO in April 2014 is presented below:



The opening NAV per share of 100.0p is substantially equal to the IPO proceeds given the NEC Group paid for all the costs of the initial shares issue (some of these costs have been initially paid by the Company and subsequently reimbursed by the Investment Advisor, as per the Related Party Transaction disclosed in note 14 of the Financial Statements). Operating profit generated by the solar assets has been retained by the relevant SPVs. The 2.1p change in NAV per share mainly derives from the application of discounted cashflow methodology to those investments in operating assets.

Detailed disclosure on the asset valuation methodologies and sensitivities on the Company's NAV are provided in the notes to the Financial Statement.

Financing

On 17 September 2014 a subsidiary of the Company, NextEnergy Solar Holdings Limited, entered into a two-year revolving credit facility ("RCF") agreement for up to £31.5 million. This facility can be drawn to fund the acquisition of further UK solar power plants. It is expected that the facility will be repaid through one or more of: excess dividend cover, further equity issuance and/or refinancing with a long-term debt facility.

The provider of the facility is Macquarie Bank Limited. The facility is secured against the operating solar assets of the UK Holdco, and as the four assets under construction become operational, it is expected that the facility line can be further extended thus providing additional funding flexibility to acquire further assets.

The Company, on behalf of the UK Holdco, undertook an extensive selection process among debt providers before signing the RCF with Macquarie to ensure its terms are in line with the prevailing market conditions.

Outlook

The backdrop for the continued deployment of solar power plants in the UK remains strong, and we see the evolving regulatory environment as continuing to provide the Company with the opportunities it needs to achieve its growth ambitions.

The NEC Group, on behalf of the Company, is continuing to seek out new investment opportunities that are either in operation, under construction or to be constructed before April 2015. The Investment Manager is targeting the same returns on these new opportunities as at the time of the IPO, that equate to an unlevered IRR between 7 and 9 per cent. after fees and expenses.

Description of the Principal Risks and Uncertainties for the remaining six months of the Year

The Company has in place risk management procedures and internal controls to monitor and mitigate the main risks faced as well as a process to review the effectiveness of those controls. The Investment Manager assists the Company in regularly identifying, assessing and mitigating those risk factors likely to impact the financial or strategic position of the Company.

The risks faced by the Company over the remaining six months of the year span across various areas including:

- Interest rate exposure should the RCF be drawn down
- Delay in delivery of commissioned solar assets from vendors
- Risk that further planned acquisitions do not take place, affecting the Company's growth potential
- Exposure to wholesale energy market for a relevant portion of the revenues generated by the operating assets
- Risk of introduction of an unexpected retroactive change in law reducing the level of support to solar projects, affecting the value of the Company's assets

Post September update

Since 30 September 2014, the following relevant events occurred:

- On 9 October 2014 the Company announced a proposed placing programme ("PPP") of up to 250 million new shares. The PPP will be voted upon by shareholders in an Extraordinary General Meeting to be held on 4 November 2014, and, if approved, will give the Company the ability to issues new shares over the subsequent 12 months from such date. The PPP provides the Company with the flexibility to issue ordinary shares and / or C-shares to finance incremental acquisitions from among the substantial portfolio of opportunities secured by NEC on behalf of the Company.

- On 29 October 2014 the Company announced the agreement to acquire Condover: a 10.2MWp plant located in Shropshire for a total acquisition price of £11.7 million assuming 1.4 ROC accreditation. The purchase will be completed at commissioning.

NextEnergy Capital IM Limited
Investment Manager

Investment Portfolio

As at 30 September 2014

	Notes	Cost Paid[1] GBP	Directors' Valuation GBP
Higher Hatherleigh		7,300,000	8,467,711
Shacks Barn		8,200,000	9,389,488
Bilsham	2	11,510,250	11,510,250
Gover Farm	2	5,629,484	5,629,484
Ellough		17,972,810	18,790,939
Brickyard	2	2,096,216	2,096,216
Poulshot	2	-	-
Total Company		**52,708,760**	**55,884,088**

Notes to the Investment Portfolio

1. Cost includes transaction costs and working capital financing
2. Bilsham, Gover Farm, Brickyard and Poulshot are not yet operational as at 30 September 2014.

Statement of Directors' Responsibilities

To the best of their knowledge, the directors of NextEnergy Solar Fund Limited confirm that:

(a) The Interim Report and Unaudited Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS); and

(b) The Interim Report, comprising the Chairman's Statement and the Investment Manager's Report, meets the requirements of an interim management report and includes a fair review of information required by:

   (i) DTR 4.2.7R of the UK Disclosure and Transparency Rules, being an indication of important events that have occurred during the period from inception to 30 September 2014 and their impact on the unaudited Financial Statements, and a description of the principal risks and uncertainties for the remaining six months of the year; and

   (ii) DTR 4.2.8R of the UK Disclosure and Transparency Rules, being related party transactions that have taken place in the period from inception to 30 September 2014 and that have materially affected the financial position or performance of the Company during that period, and any material changes in the related party transactions disclosed in the last Annual Report.

By order of the Board

For NextEnergy Solar Fund Limited

Patrick Firth
Director
November 2014

Independent Review Report to NextEnergy Solar Fund Limited

Introduction

We have been engaged by NextEnergy Solar Fund Limited ("the company") to review the financial statements in the interim financial report for the period to 30 September 2014, which comprises the statement of comprehensive income, the statement of financial position as at 30 September 2014, the statement of changes in equity, the statement of cash flows and the related notes. We have read the other information contained in the interim financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the financial statements.

Directors' responsibilities

The interim financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

As disclosed in note 1, the annual financial statements of the company are prepared in accordance with International Financial Reporting Standards. The financial statements included in this interim financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting".

Our responsibility

Our responsibility is to express to the company a conclusion on the financial statements in the interim financial report based on our review. This report, including the conclusion, has been prepared for and only for the company for the purpose of the Disclosure and Transparency Rules of the Financial Conduct Authority and for no other purpose. We do not, in producing this report, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the International Auditing and Assurance Standards Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements in the interim financial report for the period from inception to 30 September 2014 is not prepared, in all material respects, in accordance with International Accounting Standard 34 and the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

PricewaterhouseCoopers CI LLP
Chartered Accountants

Guernsey, Channel Islands
3 November 2014

Publication of Interim Financial Report

The maintenance and integrity of the NextEnergy Solar Fund Limited website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the interim financial report and unaudited condensed consolidated financial statements since they were initially presented on the website.

Legislation in Guernsey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of Comprehensive Income

For the period ended 30 September 2014

	Notes	20 December 2013 to 30 September 2014 GBP
Income		
Net changes in fair value of financial assets at fair value through profit or loss	5	3,175,328
Total net income		3,175,328
Expenditure		
Management fees	13	369,759
Directors' fees	16	85,075
Administration fees		52,500
Sundry expenses		37,709
Audit fees	12	18,750
Insurance		14,134
Regulatory fees		5,741
Legal and professional fees		2,448
Total expenses		586,116
Operating profit		2,589,212
Finance income		83,755
Profit and comprehensive income for the period		2,672,967
Earnings per share - Basic - (pence)	8	5.6p

There were no potentially dilutive instruments in issue at 30 September 2014.

All activities are derived from ongoing operations.

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

Statement of Financial Position

As at 30 September 2014

	Notes	30 Sep 2014 GBP
Non-current assets		
Investments	5	55,884,088
Total non-current assets		55,884,088
Current assets		
Cash and cash equivalents		32,552,859
Trade and other receivables		1,368
Total current assets		32,554,227
Total assets		88,438,315
Current liabilities		
Trade and other payables		165,347
Total current liabilities		165,347
Net assets		88,272,968
Equity		
Share capital		85,600,001
Reserves		2,672,967
Total equity attributable to shareholders		88,272,968
Net assets per share - (pence)	9	103.1p

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

The financial statements were approved and authorised for issue by the Board of Directors on November 2014, and signed on its behalf by:

Patrick Firth
Director

Statement of Changes in Equity

For the period ended 30 September 2014

	Notes	Share capital GBP	Retained earnings GBP	Total Equity GBP
Shareholders' equity at 20 December 2013		-	-	-
Profit for the period		-	2,672,967	2,672,967
Share capital issued	7	85,600,001	-	85,600,001
Shareholders' equity at 30 September 2014		85,600,001	2,672,967	88,272,968

Cash Flow Statement

For the period ended 30 September 2014

	Notes	20 December 2013 to 30 September 2014 GBP
Cash flow from operating activities		
Profit and comprehensive income for the period		2,672,967
Adjustments for:		
Change in fair value on investments	5	(3,175,328)
Finance income		(83,755)
Operating cashflows before movements in working capital		(586,116)
Changes in working capital		
Increase in trade receivables		(1,368)
Increase in trade payables		165,347
Net cash used in operating activities		(422,137)
Cash flows from investing activities		
Purchase of investments	5	(52,708,760)
Finance income		83,755
Net cash used in investing activities		(52,625,005)
Cash flows from financing activities		
Proceeds from issue of shares	7	85,600,001
Net cash generated from investing activities		85,600,001
Net increase in cash and cash equivalents during period		32,552,859
Cash and cash equivalents at the beginning of the period		-
Cash and cash equivalents at the end of the period		32,552,859

1. General Information

NextEnergy Solar Fund Limited ("the Company") was incorporated with limited liability in Guernsey under the Companies (Guernsey) Law, 2008, as amended, on 20 December 2013 with registered number 57739, and has been authorised by the GFSC as an authorised closed-ended investment company. The registered office and principal place of business of the Company is 1, Royal Plaza, Royal Avenue, St Peter Port, Guernsey, Channel Islands, GY1 2HL.

On 16 April 2014, the Company announced the results of its initial public offering, which raised net proceeds of £85.6 million. The Company's ordinary shares were admitted to the premium segment of the UK Listing Authority's Official List and to trading on the Main Market of the London Stock Exchange as part of its initial public offering which completed on 25 April 2014.

The Company seeks to provide investors with a sustainable and attractive dividend that increases in line with retail price index over the long term by investing in a diversified portfolio of solar photo-voltaic assets that are located in the UK. In addition, the Company seeks to provide investors with an element of capital growth through the reinvestment of net cash generated in excess of the target dividend in accordance with the Company's investment policy.

The Company currently anticipates that it will make its investments through holding companies and special-purpose-vehicles, which are wholly-owned by the Company. The Company controls the investment policy of each of the holding companies and its wholly-owned special-purpose-vehicles in order to ensure that each will act in a manner consistent with the investment policy of the Company.

The Company has appointed NextEnergy Capital IM Limited as its investment manager ("the Investment Manager") pursuant to the Management Agreement dated 18 March 2014. The Investment Manager is a Guernsey registered company, incorporated under the Companies Law with registered number 57740 and is licensed and regulated by the GFSC and is a member of the NEC Group. The Investment Manager is licensed and regulated by the GFSC and will act as the Alternative Investment Fund Manager of the Company.

The Investment Manager has appointed NextEnergy Capital Limited as its Investment Adviser ("the Investment Adviser") pursuant to the Investment Advisory Agreement. The Investment Adviser is a company incorporated in England with registered number 05975223 and is authorised and regulated by the Financial Conduct Authority.

The financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates.

2. Significant accounting policies

a) Basis of accounting

The interim financial statements, which give a true and fair view, have been prepared on a going concern basis in accordance with IAS 34 *Interim Financial Reporting*. A complete rather than a condensed set of financial statements has been prepared as allowed under *IAS 34 Interim Financial Reporting*.

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain investments and financial instruments. Historical cost is generally based on the fair value of the consideration given in exchange for the assets. The principal accounting policies adopted are set out below. These policies have been consistently applied.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety which are described as follows:

Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the Company can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

b) Going concern

The Directors have reviewed the current and projected financial position of the Company making reasonable assumptions about future performance. The key areas reviewed were:

- Timing of future investment transactions
- Expenditure commitments
- Forecast income and cashflows

The Company has cash and short-term deposits as well as projected positive income streams and as a consequence the Directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly they have adopted the going concern basis of accounting in preparing the financial statements.

2. Significant accounting policies (continued)

c) Basis of non-consolidation

The Company holds its investments through holding companies. The Company meets the definition of an investment entity as described by IFRS 10. Under IFRS 10 investment entities are required to hold subsidiaries at fair value through the Statement of Comprehensive Income rather than consolidate them.

Characteristics of an investment entity
Under the definition of an investment entity, as set out in the standard, the entity should satisfy all three of the following tests:

I. Obtains funds from one or more investors for the purpose of providing those investors with investment management services; and

II. Commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both (including having an exit strategy for investments); and

III. Measure and evaluate the performance of substantially all of its investments on a fair value basis.

In assessing whether the Company meets the definition of an investment entity set out in IFRS 10 the Directors note that:

I. the Company has multiple investors and obtains funds from a diverse group of shareholders who would otherwise not have access individually to investing in solar energy infrastructure due to high barriers to entry and capital requirements;

II. the Company's purpose is to invest funds for both investment income and capital appreciation. The Company's investments have indefinite lives however the underlying assets do not have an unlimited life and therefore minimal residual value and therefore will not be held indefinitely; and

III. the Company measures and evaluates the performance of all of its investments on a fair value basis which is the most relevant for investors in the Company. Management use fair value information as a primary measurement to evaluate the performance of all of the investments and in decision making.

The Directors are of the opinion that the Company has all the typical characteristics of an investment entity and therefore meet the definition set out in IFRS 10.

The Directors believe the treatment outlined above provides the most relevant information to investors.

d) Taxation

Under the current system of taxation in Guernsey, the Company is exempt from paying taxes on income, profit or capital gains. Therefore, income from investments is not subject to any further tax in Guernsey, although these investments will bear tax in the individual jurisdictions in which they operate.

2. Significant accounting policies (continued)

e) Segmental reporting

The Chief Operating Decision Maker, which is the Board, is of the opinion that the Company is engaged in a single segment of business, being investment in solar power, in a single economic environment, being the United Kingdom. The financial information used by the Chief Operating Decision Maker to manage the Company presents the business as a single segment.

f) Dividends

Dividends to the Company's shareholders are recognised when they become legally payable. In the case of interim dividends, this is when paid. In the case of final dividends, this is when approved at the Annual General Meeting.

g) Income

Dividend income from financial assets at fair value through profit or loss is recognised in the Statement of Comprehensive Income within dividend income when the Company's right to receive payments is established.

h) Expenses

All expenses are accounted for on an accruals basis.

i) Cash and cash equivalents

Cash and cash equivalents includes deposits held at call with banks and other short-term deposits with original maturities of three months or less.

j) Trade and other payables

Trade and other payables are initially recognised at fair value, and subsequently where necessary re-measured at amortised cost using the effective interest method.

k) Reimbursed expenses

The Investment Advisor agreed to meet all of the expenses of the initial share issue. These expenses have been not been recognised in the Statement of Comprehensive Income and have been reimbursed by the Investment Advisor. See note 14 for further details.

l) Finance income

Finance income comprises interest earned on cash held on deposit. Finance income is recognised on an accruals basis.

2. Significant accounting policies (continued)

m) Financial instruments

Financial assets and 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 are derecognised when the contractual rights to the cash flows from the instrument expire or the asset is transferred and the transfer qualifies for derecognition in accordance with IAS 39 *Financial instruments: Recognition and measurement.*

Investments
The costs of investments are recognised when they become contractually payable. Investments are designated upon initial recognition to be accounted for at fair value through profit or loss in accordance with IFRS 13. After initial recognition, investments at fair value through profit or loss are measured at fair value with changes recognised in the Statement of Comprehensive Income.

3. New and revised standards

The Company has early adopted *Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)* with a date of initial application of 20 December 2013. Management concluded that the Company meets the definition of an investment entity (see note 2c).

The following accounting Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective:

IFRS 9 (amendments)	Financial Instruments
IFRS 11 (amendments)	Joint arrangements
IFRS 14	Regulatory Deferral Accounts
IFRS 15	Revenue from Contracts with Customers
IAS 36 (amendments)	Recoverable amount disclosures for non-financial assets
IAS 39 (amendments)	Novation of derivatives and continuation of hedge accounting
IFRIC Interpretation 21	Levies

The directors do not expect that the adoption of the accounting Standards, amendments and interpretations listed above will have a material impact on the financial statements of the Company in future periods.

4. Critical accounting judgements and key sources of estimation uncertainty

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and based on historic experience and other factors believed to be reasonable under the circumstances.

Investments at fair value through profit or loss

The Company's investments are measured at fair value for financial reporting purposes. The board of directors has appointed the Investment Manager to produce investment valuations based upon projected future cashflows. These valuations are reviewed and approved by the board. The investments are held through Special Purpose Vehicles, a list of subsidiaries is included in note 6.

IFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The board bases the fair value of the investments on the information received from the Investment Manager.

The investments at fair value through profit or loss, whose fair values include the use of level 3 inputs, are valued by discounting future cash flows from investments to the Company at a discount rate when the assets are operational. The discount rate applied in the 30 September 2014 valuation was 7.8%. The discount rate is a significant level 3 input and a change in the discount applied could have a material effect on the value of the investments. Investments which are not yet operational are held at fair value, where the cost of the investment is used as an appropriate approximation of fair value.

Level 3 investments amount to £55,884,088 and consist of seven investments. The Company utilises discounted cash flow forecasts in arriving at the valuation of the investments. Level 3 valuations are reviewed on a monthly basis by the Manager who reports to the Board of Directors on a periodic basis. The Investment Manager considers the appropriateness of the valuation model and inputs, as well as the valuation result.

The table below sets out information about significant unobservable inputs used at 30 September 2014 in measuring financial instruments categorised as Level 3 in the fair value hierarchy.

Description	Fair value at 30 September 2014 GBP	Valuation technique	Unobservable input	Input value	Sensitivity to change in significant unobservable inputs
Unlisted investments	36,648,138	Discounted cash flows	Discount rate	7.80%	The estimated fair value would increase if the discount rate was lower and vice versa.
Unlisted investments	19,235,950	Price per recent transaction	Share purchase agreement	N/A	N/A

5. Investments at fair value through profit or loss

	Period ended 30 September 2014 GBP
Level 3 investments	
Purchases during the period	52,708,760
Closing cost	52,708,760
Unrealised gains during the period	3,175,328
Closing valuation	55,884,088

6. Subsidiaries

The Company holds investments through subsidiary companies which have not been consolidated as a result of the early adoption of IFRS 10: Investment entities exemption to consolidation. The following subsidiaries have not been consolidated.

Name	*Country*	Ownership
NextEnergy Solar Holding Limited	UK	100%
Hive Solar Charlie Ltd	UK	100%
Luminance Energy Ltd	UK	100%
Ellough Solar LLP	UK	100%
NESF - Ellough LTD	UK	100%
B L Solar 2 Limited	UK	100%
Blaze Energy Limited	UK	100%
Sunglow Power Limited	UK	100%
Glorious Energy Limited	UK	100%

7. Share Capital

The authorised share capital is unlimited and there are 85,600,001 shares in issue. The table below outlines the movement of shares in the year.

Issued on 20 December 2013	1
Issued on 25 April 2014	85,600,000
Total issued at 30 September 2014	85,600,001

The Company currently has one class of ordinary shares in issue.

8. Earnings per share

	Period ended 30 September 2014
Net profit - GBP	2,672,967
Weighted average number of ordinary shares	47,755,790
Earnings per ordinary share - pence	5.6p

9. Net assets per ordinary share

	As at 30 September 2014
Shareholders' equity at 30 September - GBP	88,272,968
Number of shares at 30 September	85,600,001
Net assets per ordinary share at 30 September - pence	103.1p

10. Financial risk management

Capital management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders. In accordance with the Company's investment policy, the Company's principal use of cash (including the proceeds of the IPO) has been to fund investments as well as ongoing operational expenses.

The Board with the assistance of the Investment Manager monitors and reviews the broad structure of the Company's capital on an ongoing basis. The capital structure of the Company consists entirely of equity (comprising issued capital, reserves and retained earnings).

The Company is not subject to any externally imposed capital requirements.

Financial risk management objectives

The Board with the assistance of the Investment Manager monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyse exposures by degree and magnitude of risk. These risks include market risk (including price risk, interest rate risk and currency risk), credit risk and liquidity risk.

Market risk

The value of the investments held by the Company is affected by the discount rate of their expected future cash flows and as such will vary with movements in interest rates, market prices and competition for these assets.

Interest rate risk

The Company is exposed to interest rate risk as it holds significant cash in short term deposits. If interest rates decrease the finance income of the Company would decrease. The Company is not exposed to interest rate risk on investments as all investments are made via equity rather than loans. The Company has no loan borrowings drawn at 30 September 2014. See note 17 for details of the Revolving credit facility.

Currency risk

The Company operates in the UK and invests solely in the UK and therefore is not exposed to currency risk as all assets and liabilities are in Pounds Sterling, the Company's functional and presentational currency.

10. Financial risk management (continued)

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company.

The Company does not have any significant credit risk exposure to any single counterparty in relation to trade and other receivables. On-going credit evaluation is performed on the financial condition of accounts receivable. As at 30 September 2014 there were no receivables considered impaired.

At investment level, the credit risk relating to significant counterparties is reviewed on a regular basis and adjustments to the discount rate are applied to recognise changes to these risks where applicable.

The Company maintains its cash and cash equivalents across two separate banks to diversify credit risk. These are subject to the Company's credit monitoring policies including the monitoring of the credit ratings issued by recognised credit rating agencies.

	Cash GBP	Short term fixed deposits GBP	Total as at 30 September 2014 GBP
Barclays Bank PLC	4,014,708	-	4,014,708
Lloyds Bank PLC	31,318	28,506,833	28,538,151
Total	4,046,026	28,506,833	32,552,859

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The board of directors has established an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves by monitoring forecast and actual cash flows and by matching the maturity profiles of assets and liabilities.

The table below shows the maturity of the Company's non-derivative financial assets and liabilities. The amounts disclosed are contractual, undiscounted cash flows and may differ from the actual cash flows received or paid in the future as a result of early repayments.

	Up to 3 months GBP	Between 3 and 12 months GBP	Between 1 and 5 years GBP	Total GBP
Assets				
Cash and cash equivalents	32,552,859	-	-	32,552,859
Trade and other receivables	1,368	-	-	1,368
Liabilities				
Trade and other payables	(165,347)	-	-	(165,347)
	32,388,880	-	-	32,388,880

10. Financial risk management (continued)

Level 3 financial instruments

Valuation methodology
The Directors have satisfied themselves as to the methodology used, the discount rates and key assumptions applied, and the valuation. All operational investments are at fair value through profit or loss and are valued using a discounted cash flow methodology. Investments which are not yet operational are held at fair value, where the cost of the investment is used as an appropriate approximation of fair value.

Discount rates
The discount rates used for valuing each renewable infrastructure investment are based on both the industry discount rate and on the specific circumstances of each project. The risk premium takes into account risks and opportunities associated with the investment earnings.

The discount rates used for valuing the investments in the Portfolio are as follows:

Period ending	Weighted Average
30 September 2014	7.80%

A change to the weighted average rate of 7.8% by plus or minus 0.5% has the following effect on the valuation.

Discount rate	+0.5% change	Total Portfolio value	-0.5% change
Directors' valuation	(£1.42m)	£55.9m	£1.51m

Power price
Management continuously reviews multiple inputs from market contributors and leading consultants and adjust the inputs to the power price forecast when a conservative approach is deemed most appropriate. Current estimates imply an average rate of growth of electricity prices of approximately 2% in real terms and a long term inflation rate of 2.5%.

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

Power price	-10% change	Total Portfolio value	+10% change
Directors' valuation	(£1.90m)	£55.9m	£1.90m

10. Financial risk management (continued)

Energy yield

The Portfolio's aggregate production outcome for a 10 year period would be expected to fall somewhere between a P90 10 year underperformance (downside case) and a P10 10 year outperformance (upside case).

The effect of a P90 10 year underperformance and of a P10 10 year outperformance would have the following effect on the valuation.

Energy yield	P90 10 year underperformance	Total Portfolio value	P10 10 year outperformance
Directors' valuation	(£2.01m)	£55.9m	£2.00m

Inflation rates

The Portfolio valuation assumes long-term inflation of 2.50% per annum for investments (based on UK RPI). A change in the inflation rate by plus or minus 0.5% has the following effect on the valuation.

Inflation yield	-0.5% change	Total Portfolio value	+0.5% change
Directors' valuation	(£1.29m)	£55.9m	£1.37m

Operating costs

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

Operating costs	+10% change	Total Portfolio value	-10% change
Directors' valuation	(£0.52m)	£55.9m	£0.52m

Tax rates

It has been noted that the UK Government has announced a reduction in the rate of corporation tax to 21% from 1 April 2014 and 20% from 1 April 2015.

The UK corporation tax assumption for the Portfolio valuation was 21%, which was consistent with the approach in the IPO.

11. Financial assets and liabilities not measured at fair value

Cash and cash equivalents are level 1 items on the fair value hierarchy. Current assets and current liabilities are level 2 items on the fair value hierarchy. The carrying value of current assets and current liabilities approximates fair value as these are short term items.

12. Auditor's remuneration

The analysis of the auditor's remuneration is as follows:

	Period ended 30 September 2014 GBP
Fees payable to the Company's auditor for the audit of the Company's financial statements	18,750
Total audit fees	18,750
Other services	-
Total non-audit fees	-

13. Management fee

The Investment Manager is entitled to receive an annual fee, accruing daily and calculated on a sliding scale, as follows below:

- for the tranche of NAV up to and including £200 million, 1 per cent of the Net Asset Value ("NAV") of the Company.
- for the tranche of NAV above £200 million and up to and including £300 million, 0.9 per cent of NAV.
- for the tranche of NAV above £300 million, 0.8 per cent of NAV.

For the period ending 30 September 2014 the Company has incurred £369,759 in management fees of which nil was outstanding at 30 September 2014.

14. Related parties

The Investment Manager, NextEnergy Capital IM Limited, is a related party due to having common key management personnel with the subsidiaries of the Company. Management fee transactions with the Investment Manager are disclosed in note 13.

The Investment Adviser, NextEnergy Capital Limited, is a related party due to sharing common key management personnel with the subsidiaries of the Company. There are no advisory fee transactions between the Company and the Investment Adviser. The Investment Adviser agreed to meet all of the expenses of the initial share issue. Costs in relation to the share issue of £1,081,749 have been incurred by the Company in the period to 30 September 2014 of which £1,081,749 has been reimbursed and £nil was outstanding at 30 September 2014.

15. Controlling party

In the opinion of the directors, on the basis of shareholdings advised to them, the Company has no immediate nor ultimate controlling party.

16. Remuneration of key management personnel

The remuneration of the directors, who are the key management personnel of the Company, was £85,075 for the period which consisted solely of short-term employment benefits.

17. Revolving credit facility

On 17 September 2014 NextEnergy Solar Holding Limited, a subsidiary of the Company, entered into a revolving credit facility with Macquarie Bank Limited for up to £31.5m. As at 30 September 2014 this facility had not been drawn upon.

18. Investment Commitments

The Company has the following commitments to its investments as at 30 September 2014.

Investment	As at 30 September 2014 GBP
Bilsham	3,483,500
Gover Farm	4,893,396
Ellough	1,929,244
Brickyard	1,809,030
Poulshot	15,239,500
Total Commitments	27,354,670

The above contingent commitments become payable when their respective contractual terms are met, usually when the asset becomes fully operational and accredited. At period end, those terms had not yet been met and as a result an agreement to buy shares in the future is deemed to be a derivative contract under IAS 39. These forward share commitments are accounted for at fair value, with gross assets and liabilities not recognised under forward agreements. This has resulted in the forward share commitments being fair valued at nil at period end as cost has been used as an approximation of fair value as disclosed in Note 4.

19. Contingent liabilities

As at 30 September 2014, the Company expected that the proposed placing programme ("PPP") would have been approved and that certain fees and costs become payable in relation to the PPP. However approval of the programme and actual proceeds of the placing programme were not yet certain at period end and as such those fees have not been recognised.

20. Events after the reporting period

On 9 October 2014 the Company announced a proposed Placing Programme in respect of 250m new shares.

On 29 October 2014 the Company announced the agreement to acquire Condover: a 10.2MWp plant located in Shropshire for a total acquisition price of £11.7 million assuming 1.4 ROC accreditation. The purchase will be completed at commissioning.

There were no other material events after the reporting period.

Corporate Information

DIRECTORS:	Kevin Lyon, Chairman (appointed 20/12/2013) Patrick Firth (appointed 21/01/2014) Vic Holmes (appointed 20/12/2013)
REGISTERED OFFICE:	1 Royal Plaza Royal Avenue St Peter Port Guernsey GY1 2HL
INVESTMENT MANAGER:	NextEnergy Capital IM Limited 1 Royal Plaza Royal Avenue St Peter Port Guernsey GY1 2HL
INVESTMENT ADVISER:	NextEnergy Capital Limited 23 Hanover Square London UK W1S 1JB
SECRETARY AND ADMINISTRATOR:	Ipes (Guernsey) Limited (appointed 22/01/2014) 1 Royal Plaza Royal Avenue St Peter Port Guernsey GY1 2HL
INDEPENDENT AUDITORS:	PricewaterhouseCoopers CI LLP Royal Bank Place 1 Glategny Esplanade St Peter Port Guernsey GY1 4ND