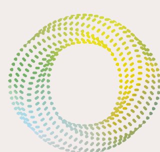
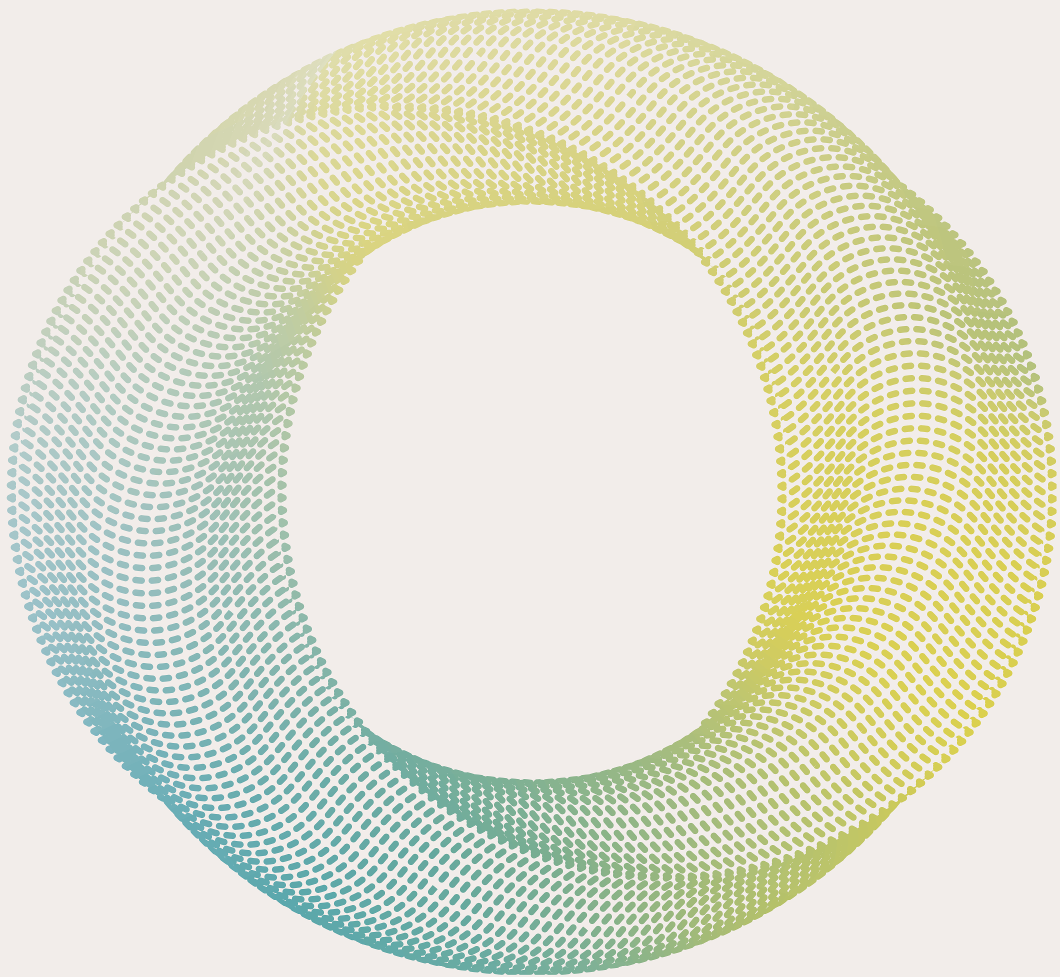
ANNUAL REPORT
AND FINANCIAL STATEMENTS

2018



THRIVE
RENEWABLES

WWW.THRIVERENEWABLES.CO.UK



CONTENTS

Officers and professional advisers	4
Chair's statement	5
Strategic report	**11**
Directors' report	**41**
Board of Directors, management and administration	46
Directors' Responsibilities Statement	50
Independent Auditors' Report	51
Financial statements	**55**
Consolidated Profit and Loss Account	55
Consolidated Statement of Comprehensive Income	56
Consolidated Statement of Financial Position	57
Company Statement of Financial Position	59
Consolidated Statement of Changes in Equity	61
Company Statement of Changes in Equity	62
Consolidated Statement of Cash Flows	63
Notes to the Consolidated and Company Financial Statements	64

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THRIVE RENEWABLES

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

The Directors of the Company who were in office during the year and up to the date of signing the financial statements were:

Simon Roberts (Chair)
Matthew Clayton (Managing Director)
Peter Weston
Katie Gordon
Colin Morgan
Tania Songini
Charles Middleton
Katrina Cross (Finance Director)

COMPANY SECRETARY

Katrina Cross

REGISTERED OFFICE

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Michelmores LLP
Woodwater House
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AUDITOR

PricewaterhouseCoopers LLP
2 Glass Wharf
Bristol
BS2 0FR

CHAIR'S STATEMENT

Dear Shareholder

2018 was our best year yet in terms of both environmental and financial performance. With record levels of renewable electricity generated and the largest profits in our history, we are delighted to be able to recommend a dividend of 7 pence per share. This Annual Report shares the details of how we've achieved this. It also outlines the challenges ahead and our positive response to them.

In October 2019 we will be celebrating our 25th anniversary. The pace of change towards a genuinely sustainable energy future can sometimes seem frustratingly slow. So an anniversary like this represents a good opportunity to take the longer view to see just how much has changed over that time. And to realise the important role that pioneers like Thrive Renewables play in enabling that change.

When Thrive Renewables was founded in 1994 (as The Wind Fund, an initiative of Triodos Bank), the total capacity of wind power in the whole of the UK was barely more than the total capacity owned just by Thrive at the end of 2018.

In the mid 1990s, official targets for renewable electricity generation were expressed in hundreds of megawatts (MW) and National Grid said repeatedly that its systems would not be able to cope with more than 20% of electricity coming from renewables.

Move forward 25 years. At the end of 2018, there was more than 20,000 MW (20GW) of wind capacity in Great Britain. And last year British renewables generated an incredible 33% of electricity consumed; the proportion still grows apace. As I write this, National Grid has announced its ambition to be able to operate the electricity system completely on zero carbon sources by 2025. Not necessarily all day every day, but nevertheless carbon free power for extended periods of time. This will be a key point on the path to the near complete decarbonisation of electricity – happening ahead of even the most optimistic projections of any time in the last two-and-a-half decades.

Over that time, investment in renewable energy has moved from niche to mainstream as its role in our future has shifted from 'nice-to-have-but-risky' to 'well-understood-cornerstone-technologies-in-a-zero-carbon-system'. So much so that investment fund managers are now competing with one another to get renewable energy assets into their portfolios – and paying what a few years ago would have been seen as sky high prices.

As you'll know from our communications about the General Meeting that took place in early March 2019 and the subsequent interim dividend payments, we decided it was in the interests of our shareholders and the Company to take advantage of these high valuations. So we sold two of our wind farms in February 2019, realising an immediate profit for our shareholders while leaving a legacy of two wind farms which continue to operate and releasing funds for us to invest in new clean energy projects.

In keeping with the pioneering spirit that has been a hallmark of Thrive since its founding, we have been looking for the niches which now need our investment and involvement, to help them follow wind energy to become part of the 'mainstream' of the future.

This has included investment in a Ground Source Heat Pump programme (Rendesco), tackling the huge challenge of decarbonising how we heat buildings. And it includes a new joint venture we have established with Aura Power to back energy storage as part of a smarter electricity system so it can utilise more renewables. Subsidy-free renewables are on the cards as we look forward to proving their viability through investments over the next few years.

As our shareholders, you should be proud of the part you're playing in this transition, providing pioneering investment which enables Thrive Renewables to continue to address directly the urgent challenges of energy decarbonisation.

Thank you.

Simon Roberts OBE
Chair of the Board of Thrive Renewables Plc

2018 WHAT'S BEEN ACHIEVED...

FINANCIAL IMPACT

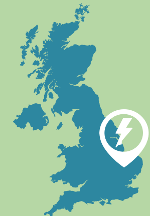
£107 MILLION

ASSETS UNDER MANAGEMENT

ENVIRONMENTAL IMPACT[1]

ENOUGH ELECTRICITY WAS GENERATED TO

POWER ALL THE HOUSES IN



NORWICH

INVESTMENTS IN

ELECTRICITY STORAGE

AND RENEWABLE HEAT

97,061

tCO_2e EMISSION REDUCTIONS

36.4% UP FROM 2017

AVOIDED THE CONSUMPTION OF

186 MILLION

LITRES OF WATER

SOCIAL IMPACT[1]

TO THE COMMUNITY BENEFIT PROGRAMME
SAVING 22.8 tCO_2e PER ANNUM

SUSTAINABLE DEVELOPMENT AWARD

FROM SCOTTISH RENEWABLES GREEN ENERGY AWARDS

CONTRIBUTED TO LOCAL ECONOMIES
(£1.18M IN 2017)

400 VISITORS
TO WEST LOTHIAN WIND FARM OPEN DAY

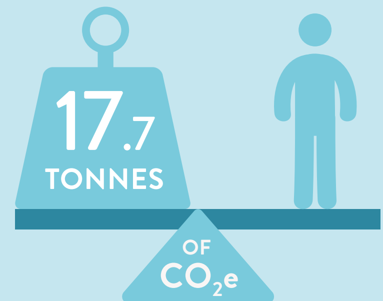
REPAID

COMMUNITY ENERGY FUNDING BRIDGES

COMMUNITY ENERGY

FINANCE AWARD

PERFORMANCE PER AVERAGE SHAREHOLDING[1]



EMISSIONS SAVINGS

RENEWABLE ELECTRICITY FOR

UK HOMES FOR A YEAR

DIVIDEND 2018

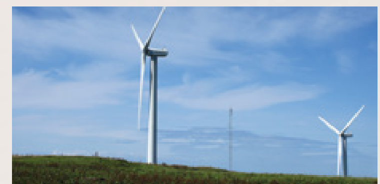
INTERIM DIVIDEND
APRIL 2019

[1] see page 23 for details of methods used for impact calculation

OUR PROJECTS

1. BEOCHLICH
Project size: 1.0MW
2 hydro-electric turbines
Location: South-east side of Loch Awe, Argyll, Scotland

2. HAVERIGG II
Project size: 2.4MW
4-turbine wind farm
Location: Cumbria



3. SIGURD
Project size: 1.3MW
1-turbine wind farm
Location: Orkney Islands

4. CATON MOOR
Project size: 16MW
8-turbine wind farm
Location: North Lancashire, just off the M6 at Junction 33

5. NESS POINT
Project size: 2.75MW
1-turbine wind farm
Location: Lowestoft, Suffolk

6. WERN DDU

Project size: 9.2MW
4-turbine wind farm
Location: Gwyddelwern, North Wales

7. KESSINGLAND

Project size: 4.1MW
2-turbine wind farm
Location: Kessingland, Suffolk

8. DUNFERMLINE

Project size: 1.5MW 1-turbine wind farm
Location: Dunfermline, Scotland

9. EYE

Project size: 5MW
2-turbine wind farm
Location: Eye, Suffolk

10. RANSONMOOR

Project size: 10.1MW
5-turbine wind farm
Location: Cambridgeshire

FORMER INVESTMENTS

[2] Mega Watt peak (MWp) is a solar power measure in photo-voltaic (PV) industry to describe a unit's nominal power.

11. SEVERN

Project size: 8.2MW
4-turbine wind farm
Location: Avonmouth, Bristol

12. MARCH

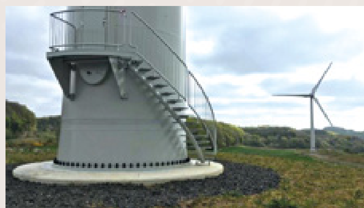
Project size: 1.5MW
1-turbine wind farm
Location: Cambridgeshire

13. AUCHTYGILLS
14. CLAYFORDS

Thrive Renewables (Buchan) Limited
Project size: 800kW each, 2-turbine wind farm
Location: Aberdeenshire, Scotland

15. BOARDINGHOUSE

Project size: 10.25MW
5-turbine wind farm
Location: Cambridgeshire



16. GEVENS

Mezzanine loan investment – operational
Project size: 6.9MW
3-turbine wind farm
Location: Fife, Scotland

17. BROTHERTON

Mezzanine loan investment – operational
Project size: 4.6MW
2-turbine wind farm
Location: Aberdeenshire, Scotland

18. DRUMDUFF

Joint venture – operational
Project size: 6MW
3-turbine wind farm
Location: West Lothian, Scotland

COMMUNITY ENERGY FUNDING BRIDGE

19. SHERIFFHALES

Project size: 3.174MWp[2] solar farm
Location: Shropshire

20. MEAN MOOR

Project size: 6.9MW
wind farm
Location: Cumbria

21. BROCKHOLES

Project size: 2.4MW
wind farm
Location: Scottish Borders

2018 AWARDS & MEMBERSHIPS

STRATEGIC REPORT

VISION AND MISSION

We believe in a clean, smart energy system that is powered by the investment of many. Our mission is to power the transition to a sustainable energy future by helping people meaningfully connect with clean energy projects.

OUR VALUES

SUSTAINABLE AT HEART

The principles of sustainability have guided us for over two decades, from the projects we invest in to how we run our business. To generate clean energy that can meet the needs of today's world and future generations, we only ever invest in sustainable projects, in a sustainable way.

REWARDING CONNECTION

We make decisions based on the interests of our investors. That means we invest in real projects, that are supported by real people, and that create real rewards – financial, environmental, and social. We always communicate these impacts clearly and transparently.

MOVEMENT FOR CHANGE

We play an active and committed role in the clean energy movement: a growing community of people and businesses who are committed to making change happen. We share our knowledge and insight to catalyse change, and we're passionate and excited about what is possible.

MEDIUM TERM TARGETS

We set these targets in 2014 to provide focus on continued delivery of Thrive's mission. The targets, and extent to which we have delivered on them to date, are summarised below.

1. Continuing to provide a rewarding and accessible direct investment opportunity into sustainable energy.

The environmental impact per average shareholding amounts to the annual electricity requirement for 10 UK homes. In addition to the share of positive environmental impact, our shareholders have received 19p per share of final dividend and 40p per share of interim dividend[3] since the beginning of 2015.

2. Investment into a portfolio of 125MW of sustainable energy projects which deliver over 100,000 tCO_2e of greenhouse gas emission reductions per annum by 2020.

Our portfolio of projects generated 97,061 tonnes of CO_2e emission reductions[4], up 68% from 2014.

Thrive has contributed to 104MW of renewable generation capacity, an increase of 65% since 2014.

[3] Assuming the proposed 7p 2018 final dividend is approved at the June 2019 AGM.

[4] See background on Impact Portfolio in Environmental Impact section.

3. Grow the investor base to 10,000 by 2020, combining direct investment into Thrive Renewables, Thrive bonds and investment facilitated by the Community Energy Funding Bridge.

Thrive's community of investors has grown to 6,862 individuals, 40% more than in 2014[5].

The means of delivering the 2020 targets has evolved with the market context. We are yet to meet the renewables capacity target, but are close to delivering the all-important emission reductions. These emission reductions are being delivered without the need to increase the investor base at the moment. When more capital is needed to fund continued growth, we will seek to attract more investors.

This year, as a Board, we are looking ahead to 2025 and beyond. With the unprecedented challenge of climate change, the growing urgency of addressing it and the desire of individuals to unite to deliver change, Thrive's mission and values are more relevant than ever. We consider the slowing of growth of the renewables sector brought about by the transition away from government financial support to be temporary. Much progress is being made at a public perception and system level to demonstrate that renewable energy is the environmentally, financially and socially desirable solution to meet our energy needs.

Our 2025 targets will once again reflect our shareholders' interests, positive environmental impact and contribution to democratising the ownership of a cleaner, smarter energy system. Our deliberations are not 'if', but 'how much' is achievable.

INVESTMENT ACTIVITY

During 2018, Thrive had a total of 23 investments:

- Sixteen renewable energy projects owned outright or in co-ownership
- Funds provided to build a further two renewable energy projects
- Community bridge funding to three projects
- Investments into two sustainable energy project development companies - one electricity storage and one heat

[5] Combination of Thrive Renewables plc shareholders and bondholders, Thrive Renewables (Buchan) Ltd bondholders and the investment into Mean Moor Wind farm facilitated by Thrive's Community Energy Funding Bridge.

Aura Power Energy Solutions

In May 2018, Thrive established a joint venture with battery storage developer, Aura Power. The joint venture, Aura Power Energy Solutions Limited (APES), offers businesses the opportunity to share the financial and environmental benefits of hosting a battery with APES. The APES business model has two sources of income; the delivery of electricity grid balancing services and sharing cost savings achieved by the host by consuming power stored in the battery at times when the import electricity price is highest. Both the provision of balancing services and reducing peak demand on the electricity system have a positive impact on the UK's fuel mix. Balancing services provide flexibility which allows greater use of renewable energy sources and the continued retirement of coal fired power stations. Lowering peak demand reduces the most carbon intensive emission periods.

Nationally we are on a cost discovery journey, seeking the least cost way to deliver a balanced low carbon energy system. We are identifying the best way to deliver the fast-responding sources of electricity required to perfectly balance demand and supply every second of every day. It remains unclear whether the mechanisms to encourage more flexible electricity supply and demand will take the form of incentives to those delivering flexibility or penalties to those consuming power at peak times. By embedding batteries on large consumers' sites, we aim to access value from providing flexibility and/or managing demand downwards at peak periods.

APES has successfully secured exclusive rights to deliver battery projects on a number of sites. We aim to share more information later in the year.

Rendesco

While there has been good progress with increasing the contribution of renewable electricity generation in the UK, the transition to renewable heat is moving much more slowly. Space heating and hot water accounts for 80% of UK final residential energy consumption. Almost 40% of the UK's energy requirement is for heat and 70% of our heating requirements are met by burning natural gas, which results in 20% of the UK's CO_2e emissions[6]. Moving heat generation from fossil fuels to renewable solutions is therefore key to the UK achieving its emission reduction targets.

In July 2018, Thrive invested £350,000 into Rendesco Holdings Limited. Rendesco designs, installs and operates heating and hot water systems using ground source heat pumps as the primary energy source and specialises in delivering such systems to new build retirement homes.

Rendesco plans to deliver 100 ground source heat pump systems following a £4 million capital raise in the summer of 2018, targeting the delivery of 4,000 tCO_2e emission reductions annually. Rendesco is making good progress towards this target having already installed 45 systems, with a further 23 in construction and another 26 sites ready to commence works.

Thrive is pleased to be working with Rendesco and continues to seek opportunities to invest into sustainable heat projects.

[6] www.icax.co.uk

Community Energy Funding Bridge

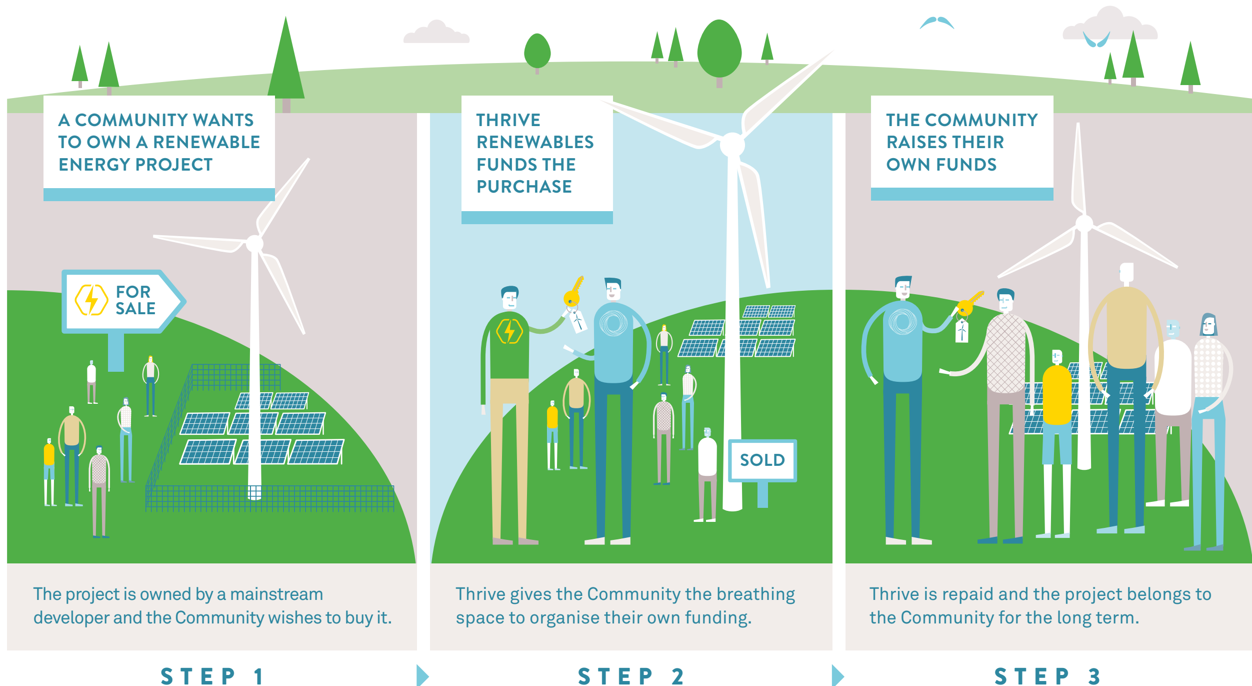
The Community Energy Funding Bridge (CEFB) model achieves Thrive's objective of widening the ownership of renewable energy. The CEFB aims to facilitate the transition of ownership of renewable energy assets from corporate to community and/or co-operative ownership.

The £1.7 million CEFB provided to Sheriffhales Solar Community Investment Company solar project and the £2.35 million to Brockholes Community Energy Limited wind farm were repaid in November and December 2018 respectively. Sheriffhales solar project is now being managed by Community Owned Renewable Energy LLP (CORE). It is intended that under CORE's management both community benefits and community ownership will increase.

Thrive also provided a £7.4 million CEFB to facilitate the acquisition of Mean Moor wind farm by three energy co-operatives. In late 2017 and the first half of 2018, the energy co-operatives successfully raised £4 million to partially replace the CEFB. The cooperative fundraising unites over 700 investors and the balance of the Mean Moor CEFB is due to be repaid in the first half of 2020.

In recognition of the innovation, ethos and scale of the Mean Moor wind farm Community Energy Funding Bridge, we jointly received Community Energy England's 2018 Community Energy Finance Award.

The illustration below describes how the Community Energy Funding Bridge works.



The total number of investments has reduced to 19 following the sale of Kessingland and Wern Ddu wind farms in February 2019, and the scheduled repayment of the funding bridges at Sheriffhales solar farm and Brockholes wind farm in November and December 2018 respectively. This activity has released £15 million for investment in new renewable energy projects. The projects we have previously owned or invested in are illustrated on the project map with a handshake.

Sale of Kessingland and Wern Ddu wind farms

Although the sale of the two wind farms completed on 13 February 2019, the majority of the work was undertaken in 2018. Having done a full strategic review in 2017, it became obvious that valuations for operational wind farms were exceptionally high. This provided an opportunity to realise the upside of some of our assets to fund new renewable capacity and contribute positively to the UK's energy transition.

The decision to sell the two projects is a departure from our buy, build and hold strategy. While we do not intend to sell projects routinely, the following combination of factors drove the decision on this occasion:

- **Prevailing market conditions for purchase**
  Operational renewable energy projects have become a desirable commodity, offering long term inflation linked revenues. The value of renewable electricity generation projects is largely driven by current and projected future electricity prices combined with the cost of capital and debt available to fund them. Over the last five years, a number of infrastructure and pension fund investors have focused on the acquisition of operational (built) renewable energy generation projects. With electricity prices at their highest point since the two projects were built, interest rates continuing at low levels and considerable competition for operational projects, we considered it was a good time to test, and consequently realise the value of the two projects.

- **Enhancing shareholder returns**
  While Thrive continues to grow, the level of dividend has been stable, but modest. The underlying value of the Company has steadily increased as we've added projects (and their associated long-term dividend flow) to the portfolio. We have funded the acquisition and build of projects with a combination of shareholder equity and debt (from banks and bond investors). This has allowed us to grow the portfolio to a greater extent than if funded with equity alone. The relatively low cost of debt also enhances the long-term equity returns achievable from the projects.

  However, the use of debt limits the levels of dividend which can be paid in the first 10-15 years of each project, as the debt interest and repayments must be made. While shareholders have benefitted from regular dividends, the majority of the value created by building the portfolio is locked up in the long-term (post debt repayment) returns. By selling two of the assets, we were able to pay a material interim dividend in April 2019, monetising the projected future revenue/dividend streams now, rather than waiting.

- **Proof of value**
  Thrive has acquired most of its projects at the consented stage of development - the project having secured planning permission, an option on the required land rights and an electricity grid connection offer. While these three elements create an asset (rather than just a good idea to build a

renewable project), risks remain in the procurement, construction and proof of operation phase. Therefore, there is an increase in the value of assets between the consenting and operational phase. Part of the additional value achieved by selling the two projects reflects the successful procurement, construction and proof of operation. The sale of the projects provides the Directors with further proof of the valuation of the rest of the portfolio.

- **Changing market conditions for investing in new renewables**
  As described in the Evolving Context section of this report, the business model of building renewable energy assets is an evolving picture. Thrive will continue to play a significant role in the transition to a cleaner energy system. We're at the forefront of developing and implementing business models which deliver continued progress in the UK energy sector. £11 million of the funds released by the sale of the two assets is being used for investment into additional sustainable energy projects. We are confident that the new owner of Kessingland and Wern Ddu wind farms is committed to delivering renewable electricity and the associated community benefits. By releasing this capital from the sale and reinvesting it, we are able to increase the environmental impact of our shareholders' funds, safe in the knowledge that the existing projects will keep delivering impact under new ownership.

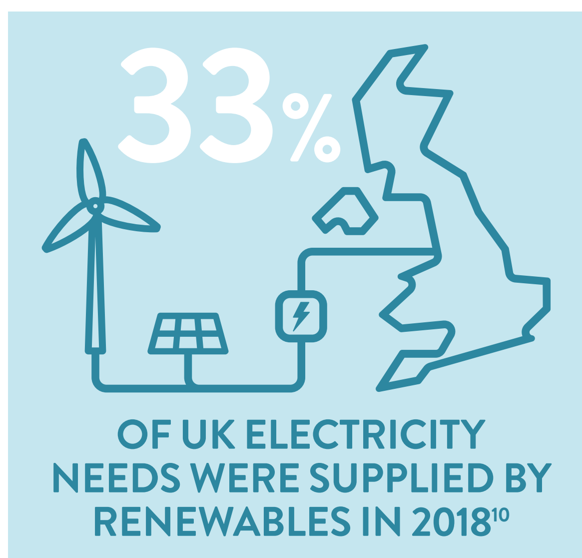
  In March 2019, a General Meeting was held, where shareholders approved the payment of a 40p per share dividend, equivalent to 15% of share price[7]. The Thrive team are committed to redeploying the £11 million retained by the Company from the sale of the two wind farms into additional sustainable energy assets. More information on our investment approach and pipeline are set out in Our Medium Term Focus section of this report.

EVOLVING CONTEXT

2018 - a big year for climate change and renewable energy

2018 is now understood to be the fourth warmest year on record, ranking behind 2016, 2017 and 2015 but warmer than 2014[8]. The UN's Intergovernmental Panel on Climate Change (IPCC) report released in October 2018 warned that we have just 12 years to turn the climate change 'supertanker' around. Crucially, it places responsibility for action not just with governments and international companies, but with us, individuals. While this is a terrifying call to action, it validates Thrive's mission, and further motivates us to continue to provide people with a way to come together and make their money work to deliver positive impact.

We have, however, seen some real progress this year in UK emissions. In 2018, the UK emitted less CO_2 than the previous year for the sixth consecutive year. Aside from years with general strikes, 2018's emissions were the lowest since 1888[9]. Since 1990, the UK has managed to cut its greenhouse gas emissions by over 39% while growing its economy by more than two thirds.



Renewable energy continues to make a growing contribution to the UK electricity system, delivering 33.3%[10] of electricity in 2018, another record-breaking year. Over the last 3 years, celebration of coal free hours in 2016 has grown to a day in April 2017, and three consecutive days in April 2018[11]. The carbon intensity of electricity in 2017 was 266 gCO_2e/kWh, two thirds less than the 770gCO_2e/kWh in 1990, and almost half of the 500 gCO_2e/kWh[12] in 1998 when we were building our first wind farm and hydro project. We are living through and contributing to a technological and environmental revolution.

[7] Directors' Recommended Share Price £2.65 on 12 March 2019, prior to adjustment relating to approval of the Interim Dividend.

[8] https://www.bloomberg.com/news/articles/2019-02-06/2018-was-the-fourth-warmest-year-on-record

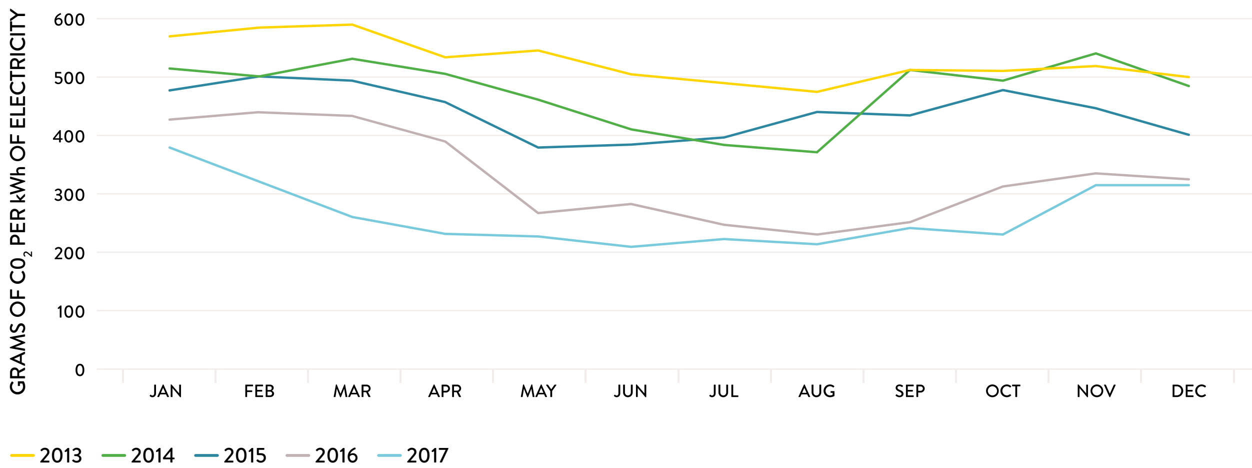
[9] https://www.carbonbrief.org/analysis-uks-co2-emissions-fell-for-record-sixth-consecutive-year-in-2018?utm_

[10] https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/789765/ET_March_2019.pdf

[11] https://www.theguardian.com/business/2018/apr/24/uk-power-generation-coal-free-gas-renewables-nuclear

[12] https://www.irena.org/

CARBON INTENSITY OF GB ELECTRICITY GENERATION 2013-2017



49.7 %

DECREASE FROM 2013-17

2013	2014	2015	2016	2017
529 gCO_2/kWh	477 gCO_2/kWh	543 gCO_2/kWh	330 gCO_2/kWh	266 gCO_2/kWh

Source: National Grid http://fes.nationalgrid.com/media/1363/fes-interactive-version-final.pdf

Public support for renewables has grown with a reassuring 85% of people saying that they support renewable energy technology in 2018. The annual survey, released in April by the Government's Department for Business, Energy and Industry Strategy (BEIS) also found two thirds of people would support a large-scale renewable energy development in their area.

The International Renewable Energy Agency (IRENA) estimates that the cost of onshore wind power has fallen by around 23% since 2010 and the cost of solar photovoltaic (PV) electricity has fallen by 73%[13] in the same period. The economic resistance to renewables is wearing thin. The business case for building new fossil fuelled power stations isn't there; even nuclear plant developers such as Toshiba and Hitachi are reversing out of their plans, despite being offered enticing long term fixed power prices. With all the progress currently being made to crack the variability incumbent with reliance on wind, rainfall and daylight, the door is wide open for renewables to plug the gap.

> "With all the progress currently being made to crack the variability incumbent with reliance on wind, rainfall and daylight, the door is wide open for renewables to plug the gap."

The growing opportunity for delivering flexibility, using electricity storage and changing the dynamic between demand and supply, will enable the majority of our power to be sourced from renewables. A position already achieved in Denmark[14].

The government has received numerous reports in the last 18 months recommending the growth of the UK's renewable energy portfolio. These include recommendations from DEFRA's Clean Air Strategy 2019, BEIS's Clean Growth Strategy, Clean Growth Challenge and more recently the UK's integrated National Energy and Climate Plan, January 2019 from the Committee on Climate Change and the National Infrastructure Commission (NIC). The NIC state that:

"reducing emissions has often appeared costly and difficult, but this is no longer the case, if the right decisions are taken now. The NIC estimates that an electricity system powered mainly by renewables would cost no more than relying on new nuclear plants."

[13] https://www.irena.org/

[14] https://ens.dk/en/our-services/statistics-data-key-figures-and-energy-maps/annual-and-monthly-statistics

They go on to recommend to government at least 50% renewable electricity generation by 2030, no more than one new nuclear plant before 2025, pilots to test hydrogen and heat pumps as low carbon heating options, and buildings which require less heat[15].

The Climate Change Committee recommends supporting the 'simple low-cost options.' Suggesting that 'onshore wind and solar are likely to be 25% cheaper than new gas plants by the 2020's'[16].

The Government has been distracted by the Brexit issues since the 2016 referendum. Once these are concluded we hope to see this raft of recommendations finding their way into well thought-out long-term energy policy with renewables and rational use of energy at its heart.

All the projects we have built to date have qualified for financial support and will continue to do so for their planned operational lives. However, with the removal of financial support for new onshore renewables (wind, solar and hydro) now complete, our focus is on making subsidy free renewable energy work. As mentioned above, the cost of onshore renewables continues to fall, and we've seen short term electricity prices rising. The gap between the required build costs and medium-term electricity prices is closing and we are now on the cusp of building onshore renewables without government support. Renewable project developers are dusting off their maps and wellies and sourcing sites once again. There is renewed focus on the best sites with excellent natural resources, reasonable grid connection costs and potential to host the most up to date technology.

[15] https://www.nic.org.uk/wp-content/uploads/CCS001_CCS0618917350-001_NIC-NIA_Accessible.pdf#page=33

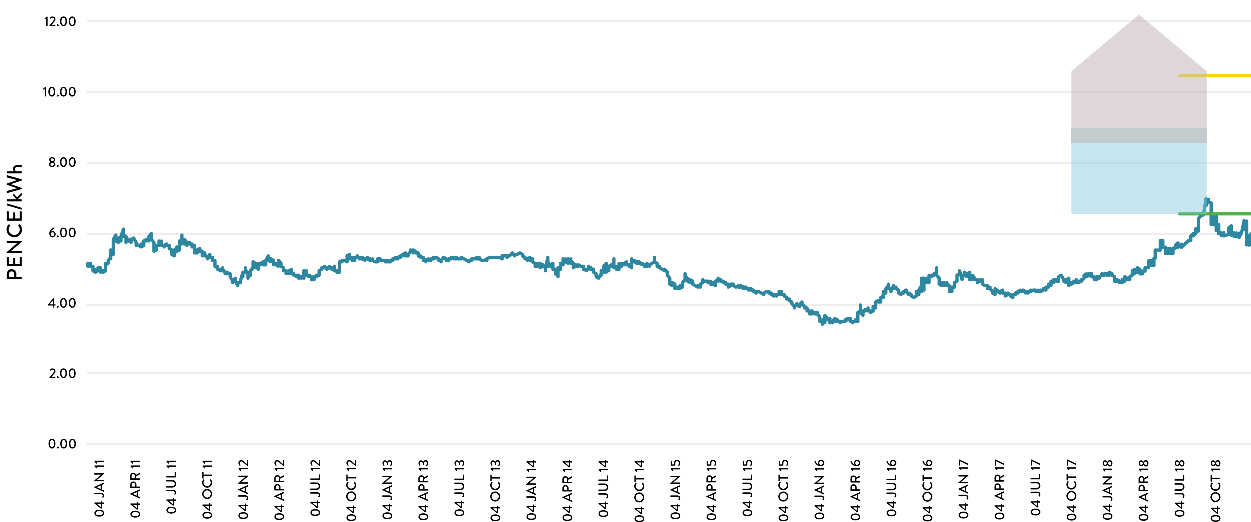
[16] https://www.theccc.org.uk/wp-content/uploads/2018/06/CCC-2018-Progress-Report-to-Parliament.pdf

The chart below illustrates the movement in wholesale electricity prices since January 2011. The price range shaded in light blue is the range of long-term prices required to build new onshore renewables (wind, hydro and solar). This picture is changing rapidly, as the renewable energy value chain adjusts to no governmental financial support. Current wholesale electricity prices are reaching the point where new build onshore renewables become viable, if we can put commercial structures in place to maintain prices at this level in the medium term.

The price range shaded in grey represents the cost of electricity to large industrial and commercial consumers. These prices make onsite (private wire) renewables viable today, offering industrial hosts a discount on electricity bills, and us the opportunity to secure a price higher than the wholesale electricity market. This is the commercial model we already have in place at Eye, Dunfermline and March. The private wire opportunity is one which Thrive continues to pursue.

For wider context, the chart also illustrates the latest prices at which offshore wind projects are winning the auction for long-term price support under the Contract for Difference Feed in Tariff (CfD FiT) in green, and the price which the planned nuclear plant at Hinkley Point C has been guaranteed in yellow.

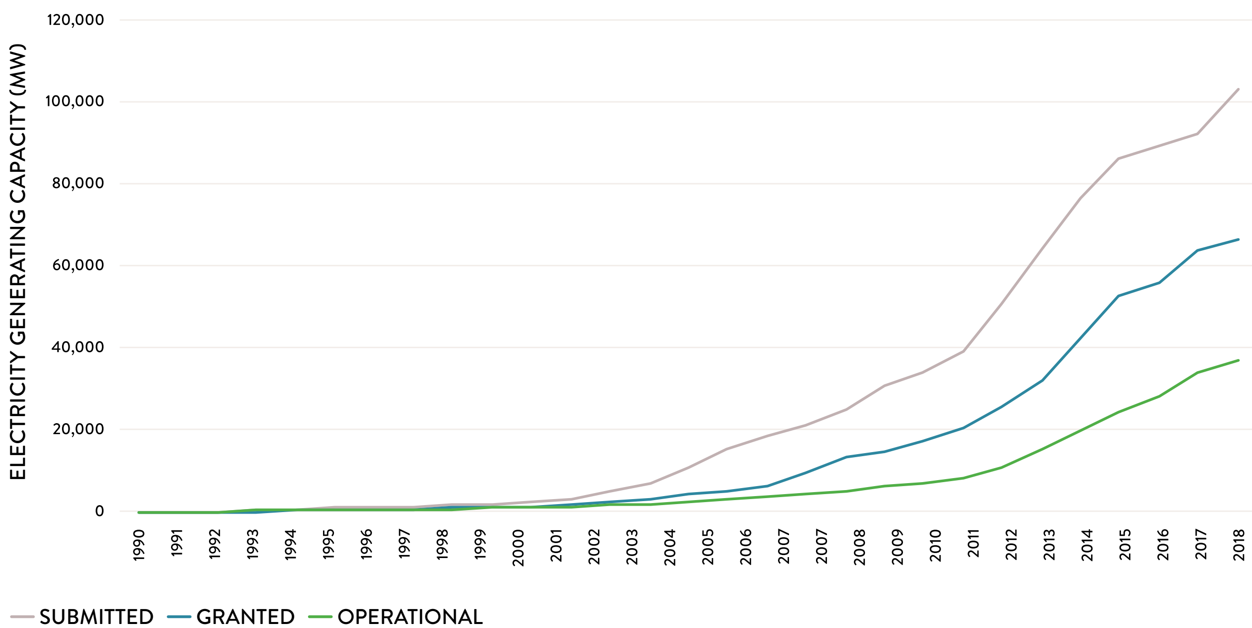
WHOLESALE ELECTRICITY PRICES AND GRID PRICE PARITY



YEAR AHEAD ELECTRICITY PRICE — HINKLEY C — OFFSHORE WIND FiT CfD
POWER PRICES REQUIRED TO BUILD NEW ONSHORE RENEWABLES
RANGE OF POWER PRICES BEING PAID BY INDUSTRIAL AND COMMERCIAL CONSUMERS

In last year's annual report we shared a chart showing the status of sustainable energy projects in the planning process. We could see a clear slowdown in planning applications being submitted in the UK following the 2015 announcements to end government support for onshore renewable energy projects. However, as the chart below illustrates, in 2018 there has been renewed optimism for, and commitment to, developing and building new sustainable energy projects in the UK. Not all projects which receive planning consent are built and there is a time lag between planning applications and projects becoming operational. But submissions for capacity of over 10,000 MW were made in 2018, which provides promise for the continuation of the sustainable energy revolution. The capacity applied for in 2018 is only 3,250 MW lower than the peak submissions of 13,400 MW seen in 2013.

UK SUSTAINABLE ENERGY PROJECT PLANNING



Of the almost 10,200 MW of generation capacity for which planning applications were made in 2018, 45% were for offshore wind, 26% for battery storage, 17% for onshore wind, and 5% each for solar PV and pumped storage hydro.

Fifty one Local Authorities and councils have now declared 'Climate Emergency', 35 with a view to achieving zero emissions by 2030[17]. This sends a clear signal to central government to review the national planning guidance for renewables. We therefore have confidence that continuing to commit to building new renewable electricity generation capacity is the right strategy.

[17] https://climateemergency.uk/blog/map-of-local-council-declarations/

MEDIUM TERM FOCUS – A RESPONSE TO THE EVOLVING MARKET CONTEXT

Make the most of our existing portfolio
Prepare for repowering
Project life extension
Accessing improved power prices
Lowering the cost of debt

Investing in new renewable capacity
Private wire generation
Private wire storage
Diversification into additional sources of renewable electricity and heat generation
Community Energy Funding Bridge

MAKING THE MOST OF OUR EXISTING PORTFOLIO

At Thrive's heart is the operational project portfolio which generates clean energy, revenues and positive environmental impact. We are committed to safely generating as much renewable electricity as we can and achieving the best possible long-term prices for the sale of the electricity. At most of our sites (90% of our generation capacity) we have operations and maintenance contracts with the world's leading wind turbine manufacturers. These contracts include incentives relating to operational performance of the turbines. At our older sites we engage smaller, UK based specialist engineering teams. Additionally, throughout the portfolio we use specialist asset managers to oversee safety and ensure we are getting the best value from our operations and maintenance contractors. We continue to work with both the asset managers and operations and maintenance contractors with a view to securing the best long-term performance from the portfolio.

Repowering

At the end of each site's planned project life of 20 to 25 years, we intend to repower our portfolio; replacing the existing generation equipment with more advanced technology, improving the capture of nature's energy and readying them for a further 25 years of contribution to improving the UK's energy mix. This process takes time, involving the landlords, distribution network operators and local planning authorities. We have made good progress with the extension of the land rights at our oldest sites, and plan to secure second project lifetimes during 2019.

Asset life extension

We are conscious that repowering does not happen overnight, and that even our oldest generation equipment coupled with careful maintenance and good power sales terms are 'pulling their weight' in terms of both financial and environmental performance. We are working closely with our asset management teams and specialist engineers to extend the life of the existing portfolio. Due to the age profile of our fleet, this is pioneering work in the UK, which we hope will pave the way for the longevity of the wider portfolio of wind turbines in the UK.

Power sales

Following from the generation of electricity, it is crucial that the power we generate secures good sales prices. Government backed inflation linked revenues continue to make up 44% of Thrive's revenues. The sale of electricity contributes 48.6%, and grid services 7.4% of our revenues. As the portfolio matures, we are diversifying the duration and structure of our power pricing, mixing long-term (up to 15 year) commitments including floor prices, with short-term (6 month) price fixing, and rolling three-year fixes. The range of contracts provides us with comfort in the case of falling wholesale electricity prices as observed between 2011 and 2016, while providing us with the opportunity to benefit from the power price increases we've seen in the last 2 years. We improved the average power price by 8.2% in 2018.

We'll continue to seek to strike an appropriate balance of power sales contracts to allow manageable exposure to both positive and negative wholesale price movements.

Cost of debt

The Thrive group of companies benefits from £57m of debt. This is a combination of project finance from banks, the two crowd funded bonds and mezzanine facilities. Over the course of 2018, the average interest rate of all of Thrive's borrowing was reduced from 5.86% (on £61.4 million) to 5.44% (on £57.4 million), generating interest cost savings of over £250,000. All of the group's debt is now on a fixed rate basis. The prevailing interest rates and debt terms achievable continue to improve and Thrive intends to continue to lower its cost of debt in 2019. Accessing lower cost debt has a threefold benefit; reducing the cost of existing debt freeing up money for reinvestment and dividends, improving long term returns, and importantly allowing us to provide more compelling offers on new assets, facilitating continued growth of the Company.

INVESTMENT STRATEGY – NEW RENEWABLE CAPACITY

We are firmly committed to demonstrating that grid connected renewable electricity generation is viable without government support. 'Subsidy free' will work first at a very large scale, or at a modest scale using innovative business models to replace the revenue certainty which was incumbent in government backed financial support. We are pursuing business models which both align with our mission and work in the current transitional period, including:

- Further Community Energy Funding Bridges - continuing to widen the ownership of sustainable energy. Transitioning the ownership of local generation from corporate to community and cooperative ownership.

- Private wire generation, solar or wind - delivering renewable electricity directly to a host consumer. A business model we've already proven at Dunfermline, Eye and March wind farms. This allows us to access the premium between the power price we can achieve by exporting to the national grid and what the host consumer has to pay to purchase electricity. These projects not only deliver environmentally and financially, but often socially as well, managing energy cost, delivering environmental credentials and therefore protecting employment.

- Private wire electricity storage – industrial and commercial consumers of energy are exposed to the diurnal volatility in electricity prices, where periods of peak demand nationally push electricity prices up. Satisfying these peaks in demand frequently requires the use of some of the UK's most carbon intensive coal, gas and oil plants. By embedding battery storage into the large consumers' energy systems, we can reduce the amount of power demanded at peak periods and also provide grid balancing (flexibility) services. The batteries deliver environmental benefits by lowering peak (carbon intensive) demand, and providing grid balancing, permitting greater contribution from renewably sourced power.

The sharing of cost savings and revenues from the delivery of grid balancing generates revenues for us as the battery provider. This is the model being applied by APES Limited, Thrive's Joint Venture with Aura Power Limited. Forecasts developed by Bloomberg New Energy Finance predict that 40% of the 1,291GW of battery storage that will be installed by 2050 will be on a private wire basis, and that this combined with a growing renewables portfolio will displace material fossil fuel generation.

- Universities and local authorities – in addition to businesses, we are offering the same private wire solutions to universities and local authorities, allowing them to generate electricity on site, and additionally offering co-ownership models, with a view to creating a circular benefit where the hosts benefit from improved environmental performance, stable energy costs and a share in the assets delivering these benefits.

The viability of grid connected medium scale subsidy free onshore wind, solar and hydro is close. The challenge of delivering renewables with no government support is a global one. This places renewed focus on the fundamentals, the quality of the underlying natural energy resource, grid accessibility and employing the most appropriate technology. We are also challenging our thinking on new projects, much of which has been defined by accessing government backed revenue certainty for 20 years. There continues to be a gap between the cost of the equipment and the level of long-term power price certainty. Thrive is committed to demonstrating the true sustainability of renewables. We continue to track technology costs and are exploring power sale structures which can offer the required balance between risk and returns. We are encouraged by the number of renewable energy planning submissions made in 2018 and aim to play a role in developers realising these new projects.

Our investment criteria remain unchanged; we are seeking to invest in projects which contribute to a cleaner, smarter energy system in the UK. We are evaluating investment opportunities in renewable heat, electricity generation and electricity storage in addition to wind, solar and hydro. We aim to strike an appropriate balance between risks and returns by investing in proven technologies and taking manageable development risk. We continue to be conscious of the environmental performance of investment options, the volume of emission reductions per pound invested, how the investment contributes to the overall sustainability of the energy system and the social impact.

ENVIRONMENTAL, SOCIAL & GOVERNANCE REPORTING

We measure our performance in terms of positive financial, environmental and social impact. We host a calculator on our website at www.thriverenewables.co.uk/calculator which allows shareholders to estimate the environmental impact, measured as tCO_2e emission reductions, of their shareholding.

We are starting to measure our impact against the United Nations Sustainable Development Goals (UNDG), which were agreed by the world's governments at the UN in 2015. According to the UN, "The Sustainable Development Goals are the blueprint to achieve a better and more sustainable future for all. They address the global challenges we face, including those related to poverty, inequality, climate, environmental degradation, prosperity, and peace and justice. The Goals interconnect and in order to leave no one behind, it is important that we achieve each Goal and target by 2030."

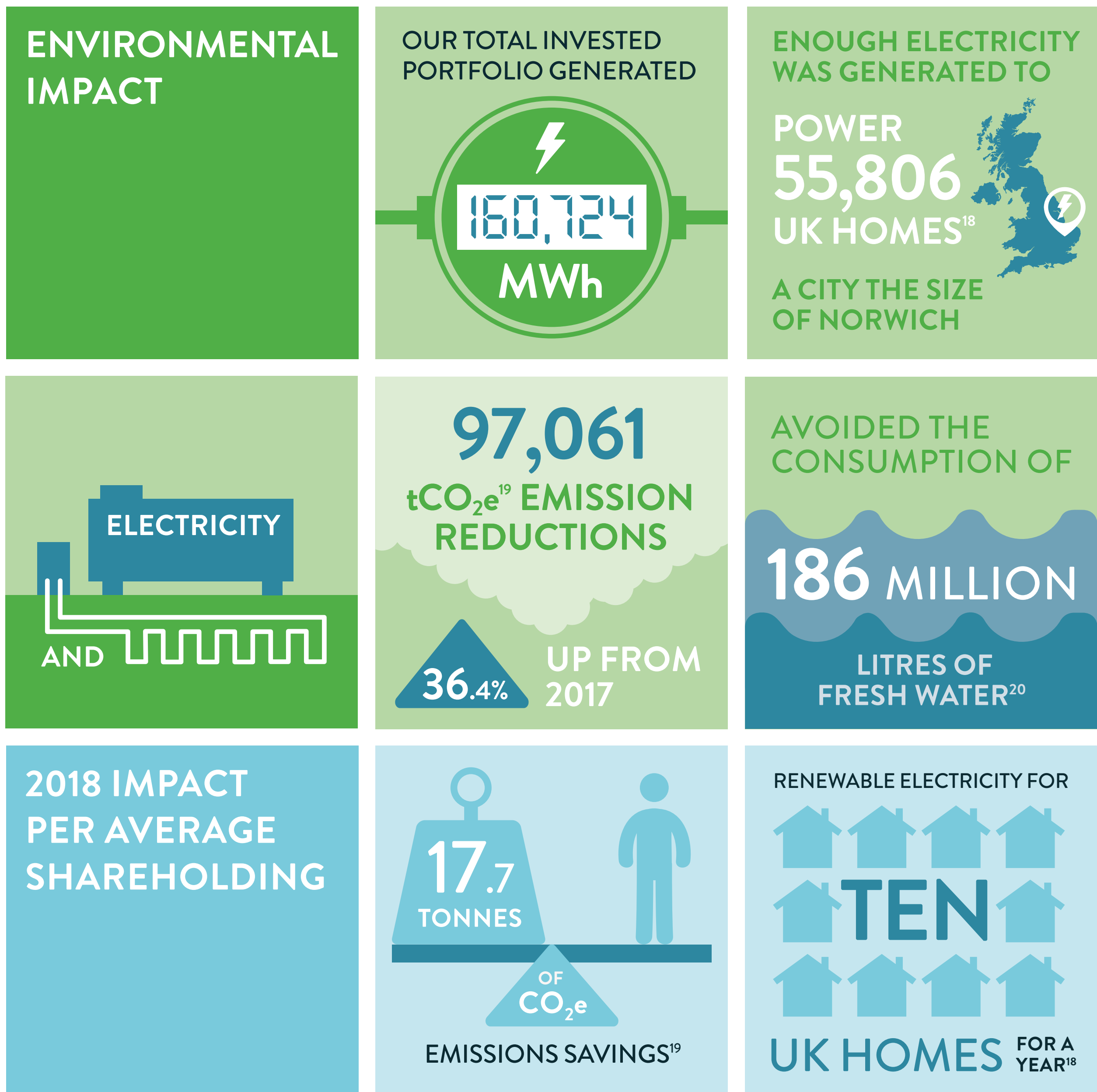
Our operations are associated with a positive impact against at least five of the goals:

Our purpose is to increase the amount of renewable energy that is generated and sold, by enabling individuals and institutions to invest.

ENVIRONMENTAL IMPACT

During 2018, our owned renewable energy portfolio generated 160,724 MWh (2017: 160,353MWh). Our total invested portfolio (i.e. including projects we part own or have helped fund) generated 243,018 MWh (2017: 226,334MWh).

For the purpose of impact reporting throughout this report, we are describing our 'Impact Portfolio' which includes Thrive's proportion of project ownership, plus the renewable projects in which Thrive has provided the majority of the equity required to build or acquire the project by way of funding bridge and/or mezzanine debt. We consider this appropriate, as in addition to acquiring, building and operating renewable projects, we are plugging funding gaps for landlords, communities and developers with a view to adding capacity and widening the ownership of renewable energy.



SOCIAL IMPACT

TO THE COMMUNITY BENEFIT PROGRAMME

SAVING 22.8 tCO_2e PER ANNUM[18]

SUSTAINABLE DEVELOPMENT AWARD

FROM SCOTTISH RENEWABLES GREEN ENERGY AWARDS

CONTRIBUTED TO LOCAL ECONOMIES[21]

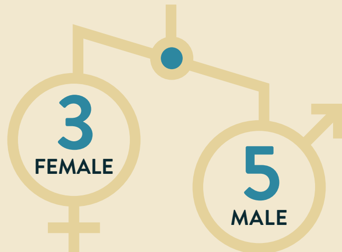
(£1.18M IN 2017)

COMMUNITY ENERGY

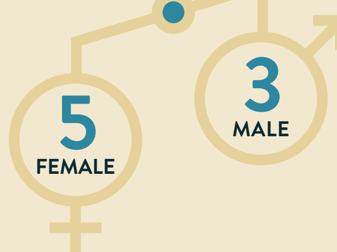
FINANCE AWARD

GENDER AND PAY

BOARD OF DIRECTORS



EXECUTIVE TEAM



RATIO OF HIGHEST COMPARED WITH LOWEST SALARY

RATIO OF HIGHEST COMPARED WITH AVERAGE SALARY

COMPARED WITH THE FTSE 100 RATIO OF THE HIGHEST TO AVERAGE SALARY[22] OF

[18] Calculated using the most recent statistics from the Department of Business, Energy and Industrial Strategy (BEIS) showing that annual UK average domestic household consumption is 3,781kWh, https://www.renewableuk.com/page/UKWEDExplained

[19] RenewableUK uses BEIS's "all fossil fuels" emissions statistic of 460 tonnes of carbon dioxide per GWh of electricity supplied in the Digest of UK Energy Statistics (July 2018) p125 Table 5D ("Estimated carbon dioxide emissions from electricity supplied 2015 to 2017"), https://www.renewableuk.com/page/UKWEDExplained. Average per capita greenhouse gas emissions.

[20] We could not find a nationally recognised means of calculating the water savings generated by displacing thermal electricity generation with renewable technologies such as wind and solar pv. The power sector consumes over 40% of Europe's water, mainly for cooling purposes. We have identified that Nuclear consumes approximately 2.7m^3/MWh, Gas plants 0.7m^3/MWh and Coal plants 1.9m^3/MWh (https://windeurope.org/fileadmin/files/library/publications/reports/Saving_water_with_wind_energy.pdf). We've performed some crude, but we intend conservative analysis, using the UK's 2018 generation mix (https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/789765/ET_March_2019.pdf), to derive a conservative average water consumption per MWh figure. We believe that the factor of 0.898m^3/MWh is conservative as it attributes no water consumption to other thermal sources such as oil and bioenergy, or hydro. We have then multiplied Thrive's generation by this factor, assuming that if our renewable projects had not generated this electricity, the UK grid mix would have, arriving at 185,900m^3.

[21] Includes business rates, land rental and community benefits

[22] http://highpaycentre.org/blog/reality-bites-average-ftse100-ceo-pay-package-down-17-on-previous-year

EDUCATIONAL IMPACT

A key element of our mission is to meaningfully connect people with clean energy projects.

This is achieved through the financial connection of investments but also directly through education and engagement initiatives such as open days and school visits which continued in 2018.

THRIVE WIND FARM OPEN DAY

In September 2018 we were delighted to host a family-oriented public open day on our award winning Drumduff wind farm in West Lothian, Scotland. The 400 guests comprised mainly local residents but also Thrive investors, renewable energy enthusiasts and people who had been involved in the wind farm's construction and development.

Activities at this free event included the ExplorerDome renewable energy science show; a chance to view inside the turbines and talk to one of the technicians who works on them; an interactive wind farm model prompting discussion on the social, commercial and planning considerations in renewable energy development; fun cycling challenges; ecology information; wind farm themed face painting; plus refreshments provided by the local Scottish Women's Institute and what turned out to be a very popular hot waffle van!

A highlight of the day was the official opening of the wind farm by Alison Johnstone, Green Party Member of the Scottish Parliament (MSP) for the area.

"It has been a fabulous day. An honour to be here and the obvious enthusiasm of so many local people is inspiring. Great to see a wind farm on the site of an open cast mine – the future and progress."

Alison Johnstone MSP

STRATEGIC REPORT

DIRECTORS' REPORT

FINANCIAL STATEMENTS

“Excellent and informative about renewable energy. Great to get kids thinking ‘green’ at an early age.”

“It is heartening and reassuring to see more green energy projects in any area of the country. Maybe we can turn around the impact we have on the environment. The day has given me a new ray of hope!”

EXPLORERDOME SHOW

We've been working with ExplorerDome for five years, delivering a bespoke renewable energy show in their mobile, inflatable dome to audiences of up to 30 at a time. As well as running shows at our public open day, the team took the dome to schools close to two of our sites during the year – Blackridge Primary School close to Drumduff wind farm and Avonmouth Church of England Primary School close to our Avonmouth project on 15 June, Global Wind Day. The show aims to enrich curriculum learning around sources of energy, climate change and renewable technologies and routinely proves popular with the teaching staff as much as the pupils.

“I loved it – we learned about how you get energy and the good ways to do it.”

Pupil at Avonmouth C of E Primary School

Details of our events – past and future – are published on our web site and in our regular newsletters. Visit www.thriverenewables.co.uk to find out more or sign up.

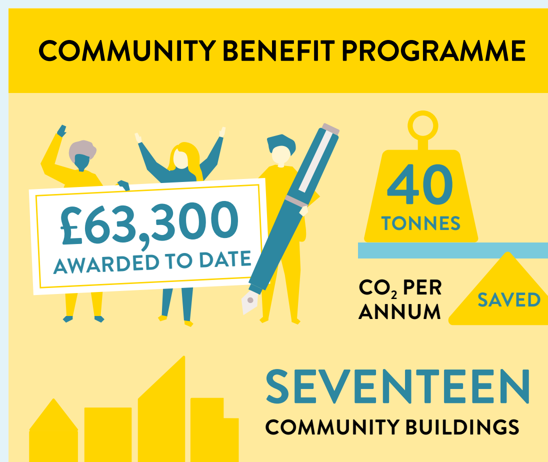
SOCIAL IMPACT

As part of planning consent for our more recent wind farms, we are pleased to make funds available for local and community initiatives which are managed by and for local organisations. These are known as Section 106 agreements. Over the years these payments have facilitated initiatives as diverse as installation of life saving defibrillators in remote locations, sustainable street lighting, team strips for local sports clubs, student volunteer opportunities, pre-school craft sessions and maintenance of footpaths close to our projects.

THRIVE COMMUNITY BENEFIT PROGRAMME

We have established a voluntary Community Benefit Programme which goes above and beyond planning requirements to help communities save money on energy bills. It is administered by the national energy charity, Centre for Sustainable Energy (CSE).

The programme invites applications from the owners or managers of community buildings close to our sites – spaces used by a variety of groups and individuals who rely on them for social support and interaction. Grants of up to £4,000 are awarded to eligible buildings to implement sustainability improvements which will reduce carbon emissions and monthly running costs. The benefits of financial savings and greater comfort are passed on to the building users.



> "Our electric bills are very high, one of our highest costs; this should take off a lot of pressure financially and put the hall in a good position for the future."

Doddington Village Hall, near March in Cambridgeshire

> "For your firm to be so supportive towards our projects has been most encouraging for us. Millom Baptist Church will now become a lot more environmentally friendly due to your advice and help along the way."

Millom Baptist Church, near Haverigg II in Cumbria

The most effective measures for the specific building and its typical occupancy are identified with a self-guided energy audit and input from CSE. They also provide guidance on zero cost measures such as adjustments to heating controls or encouraging better energy behaviour by building users. Successful applicants use local contractors for installation where possible.

The generous grants make it possible for significant work to be undertaken which building owners would not be able to raise funds for otherwise. Working with communities on more than one occasion has allowed us to build deeper relationships with communities near our projects and facilitate longer term sustainability improvements. During 2018 we made a total of nine awards around the country to pay for LED lighting, pipe insulation, air source heat pumps, new heating controls and the replacement of old, inefficient boiler systems. Installation of these measures will save an estimated 22.8 tonnes of CO_2 being emitted each and every year.

OPERATIONS

OPERATIONAL REVIEW

A GREAT SUMMER AT THE EXPENSE OF GOOD WINDS

After the freezing "Beast from the East" in February, the summer of 2018 was the joint hottest on record for the UK as a whole and the hottest ever for England[23]. With this unprecedented heatwave came a summer of particularly low wind and rainfall which, despite stronger winds during the autumn, resulted in a calendar year with wind speeds below the long-term average[24]. Winds were particularly poor in May, June and July, but considerably better than forecast in September, October and November. This exaggerated seasonal contrast highlighted the importance of our management strategies to schedule planned work during low wind periods and the benefit of technology diversity in our portfolio such as battery storage, solar and ground sourced heat.

OUR OPERATIONAL RESULTS

Despite a slightly lower annual average wind resource recorded across our portfolio compared to the previous year, the Company's owned portfolio achieved a marginal increase in generation to 160,724MWh during 2018. This represents a 0.23% increase from the 160,353MWh generated in 2017. Thrive's total investment portfolio generated 243,018MWh in 2018, 7.4% higher than 2017.

Positive contribution to the total came from a full year of export from the joint venture Drumduff wind farm, commissioned in July 2017. And the nature of Thrive's more diverse investments including mezzanine loans and fixed rate bond described in this report meant that the overall impact of money deployed actually increased. As is to be expected with electrical and mechanical assets, there were unplanned events which detracted from the overall production. Two gearboxes required replacement – one at Kessingland which was identified before any failure and replaced in a planned manner in the Spring; the other at Caton Moor which failed in the Autumn and was not possible to replace before the year end. Work continued across the portfolio to identify and schedule appropriate work on blades to prevent long term damage and ensure they operate to their intended efficiency. While we strive to maximise renewable energy generation we are reassured that the majority of this work – labour, parts and lost revenue – is covered and compensated by comprehensive maintenance contracts.

[23] https://www.bbc.co.uk/news/uk-45399134

[24] http://everoze.com/gb-wind-index_2018/

COMPARISON OF 2018 GENERATION AGAINST 2017

SITE	GENERATION COMMENCED	GENERATION 2018 MWH	GENERATION 2017 MWH	GENERATION CHANGE %	SITE INFORMATION
Beochlich	1998	3,872	4,688	(17.4)%	While production at our 1MW hydro electric site was lower than 2017, it was still the second highest annual production in the past seven years despite an exceptionally dry summer, testament to good reliability and resource over the winter periods.
Haverigg II*	1998	4,265	4,279	(0.3)%	In its 20th year of operation, our four turbine Haverigg II wind farm showed good reliability to generate only marginally less in 2018 than the previous year, despite lower average wind resource across the UK. Plans are progressing for a "life extension" exercise to operate the existing project beyond the original anticipated duration.
Sigurd	2001	3,789	2,108	79.7%	Generation was much improved from the previous year when the turbine's specialist gearbox was refurbished. This single turbine in Orkney benefits from some of the best onshore wind resource in Europe and is also entering a phase of proactive planning for an extended lifetime.
Caton Moor	2006	39,120	36,323	7.7%	Proactive repairs to blades begun in 2017 were completed during low wind periods in 2018 across all eight turbines. The failure of a gearbox in one turbine and generator in another late in the year reduced generation from the maximum possible but repair of these main components (and compensation for the lost production) is covered by our comprehensive maintenance contract with the original turbine supplier.

SITE	GENERATION COMMENCED	GENERATION 2018 MWH	GENERATION 2017 MWH	GENERATION CHANGE %	SITE INFORMATION
Ness Point	2005	4,641	5,597	(17.1)%	After a good first half year of production, damage to the generator, which impacted operations during the windiest autumn months of 2018, took time to resolve and recommission. Good reliability is crucial in commercial operation of renewables and increased focus has been given to maintenance arrangements at this coastal location at the most easterly point in the UK.
Wern Ddu	2010	20,237	21,344	(5.2)%	The four-turbine Wern Ddu wind farm in North Wales enjoyed good reliability in 2018 but lower average wind speeds than in the previous year (2018 = 6.8metres/second vs 2017 = 7.1metres/second).
Kessingland	2011	10,711	12,203	(12.2)%	The two-turbine site adjoins the popular Africa Alive! animal park in Suffolk. Generation was impacted by the need to replace one of the gearboxes during the summer with output curtailed as a precautionary measure in the run up.
Dunfermline	2011	2,653	2,727	(2.7)%	Our 1.5MW project in Fife was developed on the site of a high energy demand industrial user to whom we supply electricity from the turbine via a "private wire". This direct supply is of increasing interest for subsidy-free renewables and we are pleased to be building on this first-hand experience.
Eye	2013	11,508	13,228	(13.0)%	This two-turbine project connects via a private wire to the Eye Airfield Industrial Estate, providing renewable energy to a variety of businesses. The reduction in generation from the previous year was entirely accountable to lower overall wind speeds at the site.

SITE	GENERATION COMMENCED	GENERATION 2018 MWH	GENERATION 2017 MWH	GENERATION CHANGE %	SITE INFORMATION
Ransonmoor (Fenpower)*	2013	4,994	5,745	(13.1)%	Thrive Renewables owns 24.9% of this project – an investment that allowed the original developer to progress their next project and new capacity at Boardinghouse wind farm. In May 2018 the site's emergency procedures proved effective in response to a fire at turbine 3. There was no injury to personnel but the damaged turbine needed to be safely dismantled and did not generate for the remainder of the year. At the year end, the most viable options for replacement or alternatives were being considered.
Severn	2013	18,072	18,705	(3.4)%	The four Thrive turbines in Avonmouth near Bristol completed their fifth year of operation and have generated nearly 100 gigawatt hours (GWh) in that time. Avonmouth is an industrial area with one of the largest docks in Europe and we are constantly reviewing arrangements to deliver the greatest renewable energy impact as well as revenue from the project. We're currently assessing the viability of direct supply to a local and aligned organisation.
March	2014	3,246	3,908	(16.9)%	The 1.5MW turbine near March supplies renewable electricity directly to Greenvale AP, a leading supplier of potatoes into major UK retailers. We are pleased to build strong working relationships with businesses through the supply chain to manage operational matters as well as explore strategic opportunities for mutual long-term benefit.
Auchtygills	2015	2,094	2,203	(4.9)%	The two 800kW turbines at Auchtygills and Clayfords are separate sites but managed as one package because they are located so close together. There were no operational concerns with either turbine and the reduction in output is attributed to lower wind speeds.
Clayfords	2015	2,005	2,225	(9.9)%	(SEE ABOVE)

SITE	GENERATION COMMENCED	GENERATION 2018 MWH	GENERATION 2017 MWH	GENERATION CHANGE %	SITE INFORMATION
Boarding-house*	2015	20,635	21,346	(3.3)%	Thrive Renewables owns a 75% share in this 10.25MW wind farm in Cambridgeshire. The site has a live feed to our website so you can see how much the project is generating at any time – www.thriverenewables.co.uk/boardinghouse
Drumduff*	July 2017	8,882	3,724	138.5%	The Drumduff wind farm was built on the site of a disused open cast coal mine. This joint venture is 50% owned by Thrive. The project's demonstrable transition from fossil fuels to renewable energy was recognised with a prestigious Scottish Renewables Green Energy Award for Sustainable Development. We were delighted by the turnout of local residents and renewable enthusiasts at a family open day at the site which provided adults and children an opportunity to learn more about wind energy.
Total		**160,724**	**160,353**	**0.2%**	

* generation from the site calculated in proportion to Thrive Renewables' ownership and does not include the mezzanine loan investments.

HEALTH AND SAFETY

There was one incident reported to the Health and Safety Executive (HSE) in 2018 (2017 – none) on our sites in operation or construction. The turbine fire at Fenpower was reported as a Dangerous Occurrence under the statutory responsibility of Reporting of Incidents, Diseases and Dangerous Occurrences Regulations (RIDDOR) and the damaged turbine has subsequently been safely dismantled.

Regular meetings with maintenance contractors routinely begin with a health and safety review to promote the importance we place on good safety practice and to collect feedback from those undertaking work on site. We also began rolling out an independent audit of contractor health and safety systems. The arrangements to hold, check and implement emergency response plans as necessary were reviewed and found to be in order, with 24-hour control rooms available to co-ordinate emergency situations. We remain committed to engaging with staff, contractors and all visitors to ensure continued compliance with regulations and industry good practice.

MANAGEMENT OF OPERATIONAL ASSETS

Thrive Renewables employs an in-house Operations Manager to oversee the safe and optimal long term running of our operational assets across the country and to engage competent third-party contractors to support this. Contracting out the "technical asset management" function allows us to appoint organisations with the right specialist skills and to scale requirements quickly in response to changes in our invested portfolio. We seek to build long term relationships with these external managers to benefit from familiarity with the sites, and future opportunities.

We seek to maximise the benefit of our experience in operating a wide range of assets to identify and implement strategies which bring benefit to the whole of our broad and diverse portfolio. During

2018 we explored the relative merits of rope access, ground based photography and drones to carry out wind turbine blade inspections. We considered the quality of the results of the different inspection methods, balanced with relative costs and safety implications. This has allowed us to develop an approach which enhances inspection scopes and to be more proactive in identifying and scheduling necessary maintenance work.

LIFE EXTENSION

As our portfolio of operational projects matures in line with the UK onshore wind fleet, and in light of recent changes to planning policy and subsidy mechanisms, operators are increasingly looking to achieve extended long-term value from existing assets. Historically, wind turbines have been designed with a 20 - 25 year planned life to match a typical planning consent – which would usually then match land rights, grid connection and other key contract terms. The reality is that conditions on the site, good maintenance and history of component replacement mean that assets can continue to be safe and viable well beyond their original conceived timespan.

We have initiated programmes of work on our more mature sites to identify the site-specific requirements for their possible extended lifetime and to inform suitable strategies for their ongoing operation, maintenance and monitoring.

Thrive Renewables is invested in a portfolio deliberately spread across the UK and incorporating a variety of technologies and turbine types. Have a look at our online map to learn more about our projects – www.thriverenewables.co.uk/projects.

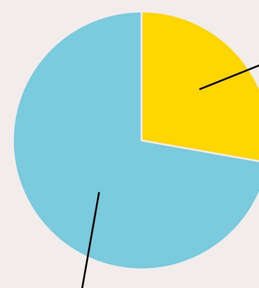
THRIVE RENEWABLES SHARES

Thrive Renewables unites a community of 6,152 impact investors: 5,472 shareholders in addition to Bondholders. We intend to provide accessible investment into sustainable energy. Investment varies from £5 to several million. Our share ownership is presented in the chart above right.

[25] Correct at the time of writing.

[26] For more information on the Directors' Recommended Share Price visit http://www.thriverenewables.co.uk/for-investors/buying-and-selling-shares/recommended-share-price/

THRIVE RENEWABLES PLC OWNERSHIP



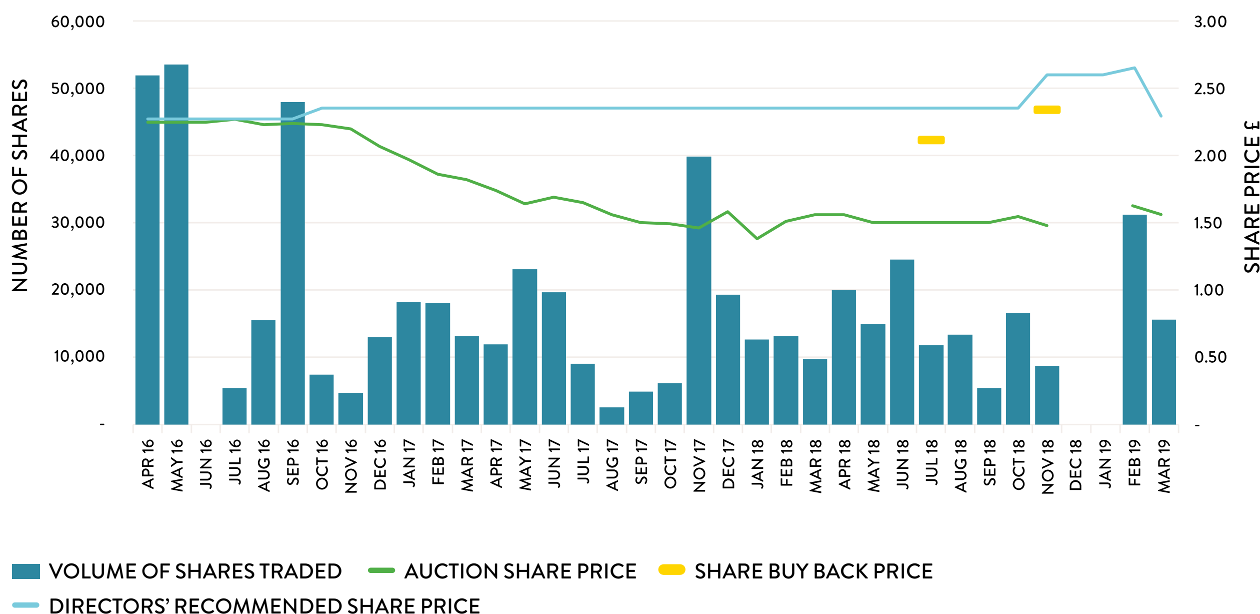
A community of conscious 'impact' investors – both individuals and institutions

Shares in Thrive Renewables Plc may be traded in monthly share auctions which have been operated by James Sharp and Co since February 2016. There is more information on buying and selling shares, as well as the results of the monthly share auctions, on our website at www.thriverenewables.co.uk/investors.

In 2018, 149,776 shares were traded in the monthly auctions at an average price of £1.51, a decrease from the 186,054 shares at an average of £1.66 traded in 2017. This level of share trading represents 0.68% and 0.84% liquidity in 2018 and 2017 respectively. Including the 2018 buy-back, the share trading liquidity increases to 1.5% at an average price of £1.89. The Directors are conscious that the prices achieved in the monthly auctions in 2018 are lower than the Directors' Recommended Share Price (DRSP) of £2.28[25]. The Directors are aware that with a diverse shareholder base, it may be helpful to provide guidance on the value of the Company. The DRSP is provided by the Directors with the intention of providing a transparent indication of the value of shares in the Company. The DRSP reflects today's value of projected future dividends from our portfolio of operational assets and investments. The DRSP is reviewed when material events occur, such as the addition of a new renewable project, a change in regulation or movement in forecast of wholesale electricity prices[26].

The chart opposite illustrates the number of Thrive Renewables shares traded (including the shares bought back in July and November 2018), the monthly auction price and the Directors' Recommended Share Price.

THRIVE RENEWABLES PLC - SHARE TRADING



The DRSP was £2.35 throughout 2018 until October. In October the DRSP was revised to £2.60 due to a combination of factors including the extension of the operational life of Haverigg II wind farm, increases in the wholesale electricity price, a lower cost of capital and the indications from the market on the value of operational renewable electricity projects. In February 2019, the DRSP was revised to £2.65 reflecting the additional value secured by the sale of Kessingland and Wern Ddu wind farms. Then in March 2019, following the approval by shareholders of the payment of a 40p per share interim dividend, the DRSP was reduced to £2.28.

The Directors continue to take steps to improve share liquidity via the monthly share auctions. Measures include the introduction of a Share Buy-Back Policy and seeking to increase demand for shares by increasing awareness of Thrive via the Impact Investment Network (formerly the Social Stock Exchange), Ethex as well as impact and ethical investment events and media channels. The proof of value demonstrated by the sale of Wern Ddu and Kessingland wind farms adds credibility to the DRSP and may positively influence the pricing decisions of sellers.

SHARE BUY-BACK POLICY

The Directors are committed to providing a reasonable level of share liquidity and the ability to sell shares at a fair value. In January 2018 the Directors reintroduced a buy-back policy, providing shareholders who have experienced delays in selling their shares with the opportunity to exit at a fair value. The buy-back policy can be viewed on our website.

The 2018 share buy-back was approved by shareholders at our AGM in June 2017. As a result, 180,649 shares were bought back: 101,889 shares in June and 78,760 in November at a volume weighted average price of £2.21 - a 10% discount to the prevailing DRSP at the time of the buy back. The Directors introduced a revised buy back scheme in December 2018. Subject to the criteria of the buy-back scheme being met, qualifying shares will be proposed for buy back at the AGM planned for 15 June 2019.

The shares bought back by the Company under the Share Buy-Back Policy are purchased at a 10% discount to the DRSP, providing exiting shareholders with a reflection of the value of their shares. The Directors are comfortable that by purchasing the shares at this level, there is a marginal positive impact on the value of shares for all remaining shareholders.

RECOMMENDED DIVIDEND

The approved dividend for 2017 of 4p per share was paid in July 2018.

A 40p interim dividend was approved in March 2019 and paid in April 2019.

For 2018, the Directors recommend the payment of a 7p dividend to be paid in July 2019, which will be subject to approval by the shareholders at the AGM on 15 June 2019. This increase in dividend is a result of improved operating results for the year.

KEY PERFORMANCE INDICATORS

We have developed key performance indicators (KPIs) to monitor and review our 'health and impact'. These cover the corporate, financial, operational and growth aspects of the business. The Directors routinely monitor KPIs including those summarised in the table below:

KPIs	2018	2017	2016	2015
Turnover	£16.52m	£15.61m	£13.54m	£15.18m
Operating Profit	£5.37m	£4.40m	£2.74m	£5.13m
Profit (after tax and minority interests)	£2.80m	£1.87m	£(0.39)m	£2.37m
Total investors	6,152[27]	6,243	6,264	5,709
Directors' Recommended Share Price	£2.60	£2.35	£2.35	£2.18
Dividend paid	4p	4p	4p	4p
Reportable health and safety incidents	1	0	0	1
Homes Equivalent of renewable electricity generated[28]	42,508	41,166	37,000	41,187

[27] Combination of Thrive Renewables plc Shareholders and Bondholders and Thrive Renewables (Buchan) Limited Bondholders.

[28] Owned portfolio, excluding the impact of the investments made by the Company.

BREXIT

At the time of writing this report, uncertainty continues to prevail on the subject of the UK's future relationship with the EU. This being the case, it is challenging to comment in detail on the impact of Brexit on Thrive. The Directors are confident, however, that Thrive Renewables has no immediate exposure to Brexit specific risks and remain confident in Thrive's ongoing business. Political uncertainty will not have an impact on the underlying natural resources (wind, rain and sunshine) upon which we rely.

The challenge of climate change is recognised globally and the UK government has reaffirmed commitment to combating the issue by ratifying the Paris Agreement in November 2016, the 5th Carbon Budget (June 2016) and the Clean Growth Strategy (October 2017).

Currency exchange rate risk is something we monitor closely. The value of £ Sterling relative to the € Euro and $ US Dollars has an impact on the cost of fossil fuels, and consequently on wholesale electricity prices. If £ Sterling reduces in value, wholesale electricity prices tend to increase, as we've seen over the last 2 years.

The second area of exposure to exchange rate movements is in the cost of capital equipment. When we are building new sites, much of the capital equipment is priced in € Euros or $ US Dollars. We routinely mitigate the risk of exchange rate movements when acquiring new assets. Additionally, we understand that the current terms of import tariffs on capital equipment may change as a result of Brexit. It is our intention to mitigate exposure to changes in import tariffs via the terms upon which we purchase capital equipment.

Over the course of 2018 we have taken steps to manage our exposure to interest rates on our borrowing. At the beginning of 2018, 88% of our debt was fixed, with all of our borrowing at fixed rates by the end of the year. Therefore, in the medium-term Thrive's exposure to changes in exchange rate on its existing borrowing is minimal.

While the uncertainty created by Brexit is unhelpful, the Directors are not aware of any additional risks for the Company specifically relating to the process.

FINANCE

FINANCIAL REVIEW

The Group results are a statutory pre-tax profit of £3,934,430 for the year ended 31 December 2018 compared to £2,665,725 in 2017. The statutory results under IFRS include movements on the fair values of financial instruments (gain of £580,088 in 2018 and £551,158 in 2017). Excluding the impact of market-based financial instrument gains and losses, the underlying pre-tax profit in 2018 was £3,354,342, increased from £2,114,567 in 2017. This result was affected by a number of factors:

- The existing portfolio experienced marginally reduced availability and wind speeds amounting to 4,786MWh of reduced generation compared to 2017 (3%). But new capacity added of 5,157MWh from a full year of operations at Drumduff has meant that generation overall was up by 371MWh, increasing turnover by approximately £36,000.
- The portfolio has benefitted from improved electricity prices and other benefits during the year and this has increased turnover by approximately £877,000.
- Other income is increased by £410,000 this year as a result of availability claims on turbine manufacturer warranties.
- Additional direct costs this year were £346,000 as a result of increased repair costs and earn out provision to previous project owners. There has been a £6,000 increase in administrative costs but a £346,000 decrease in interest costs, from capital repayments and reduced interest rates negotiated. The total net impact of these elements is £6,000 of increased costs.
- Share of associated profits was decreased by £123,000 this year and the credit from revaluation of interest rate swap valuations was up by £29,000. Interest receivable from the loans provided to developers and community organisation was increased by £46,000.
- The net impact compared to 2017 was an increase in pre-tax profit of £1,269,000.

	2018 £	2017 £	2016 £	2015 £	2014 £	2013 £
(Loss)/Profit before tax before Fair Value adjustments	3,354,342	2,114,567	(287,249)	2,061,394	1,659,446	1,732,256
Fair value adjustments	580,088	551,158	(603,305)	248,530	(1,755,174)	(144,245)
Profit before Tax under IFRS	3,934,430	2,665,725	(890,554)	2,309,924	(95,728)	1,588,011

The trading results for the financial year and the group's position at the year-end are shown in the attached financial statements. A summary of turnover by operating site is as follows:

TURNOVER SUMMARY BY OPERATING SITE

SITE	DATE ACQUIRED	2018 £'000	2017 £'000	2016 £'000	2015 £'000	2014 £'000	2013 £'000	2012 £'000	2011 £'000
Beochlich	1998	448	448	288	313	242	342	335	243
Haverigg II	1998	427	424	364	433	416	375	360	280
Ness Point	2005	530	509	224	561	605	440	580	485
Caton Moor	2006	4,039	3,468	2,861	3,439	3,604	3,571	3,030	3,790
Sigurd	2006	417	201	365	265	202	189	206	185
Wern Ddu	2009	1,848	1,928	1,551	2,138	1,843	1,946	1,744	2,129
Kessingland	2010	1,277	1,340	1,470	1,703	1,680	1,522	1,528	746
Dunfermline	2011	500	513	411	589	513	494	472	61
Eye	2012	1,275	1,355	1,258	1,446	1,599	1,034	-	-
Severn	2012	1,789	1,715	1,443	1,752	1,634	190	-	-
March	2013	551	637	661	747	95	-	-	-
Auchtygills	2007	312	281	268	144	-	-	-	-
Clayfords	2007	289	290	249	165	-	-	-	-
Boardinghouse	2014	2,821	2,453	2,122	1,457	-	-	-	-
Other	N/A	-	48	7	6	-	-	-	-
Total*		**16,523**	**15,610**	**13,542**	**15,158**	**12,433**	**10,103**	**8,255**	**7,919**

* Turnover only relates to subsidiaries of Thrive.

On 31 December 2018, the group held £16,322,000 of cash compared to £11,563,000 in 2017. This was high at the end of 2018 as the Company had repayments from mezzanine loans that had not yet been reinvested. Cash reserves are held in the business for working capital requirements and debt service reserves. The group's net debt at 31 December 2018 was £33,330,000 (2017: £49,803,000), a decrease of £16,473,000 over the previous year as a result of the repayment of mezzanine loan investments and transfers to assets held for sale (i.e. debt is still within the group at the year end but was disposed of post year end as part of the sale). The ratio of net debt to fixed assets at 31 December 2018 was 48% compared to 54% in 2017.

The results for 2018 show strong financial and operating performance and the Directors consider that Thrive Renewables remains in a strong financial position to progress in the future.

GOING CONCERN

Thrive Renewables operates within the electricity industry, which is subject to both high-level regulation and long-term government support. The group owns operational capital assets and has the benefit of long-term contracted revenues with electricity companies. The Directors consider that these factors provide confidence over future forecast income streams. In addition, the Directors consider that Thrive and the group have sufficient cash funds and finance facilities available for their ongoing operations.

After due consideration, the Directors have a reasonable expectation that the Company and the group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Annual Report and financial statements.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The group's activities expose it to a number of financial risks including price risk, interest rate risk, credit risk, foreign exchange risk, operating risk and changes in government policy. The use of financial derivatives is governed by the group's policies approved by the Board of Directors, which provides written principles on the use of financial derivatives to manage these risks. The group does not use derivative financial instruments for speculative purposes.

PRICE RISK

Thrive Renewables is reliant on market wholesale electricity prices at its largest three sites, Caton Moor, Boardinghouse and Wern Ddu. To mitigate this risk, we negotiate long-term power price agreements (PPAs) with price fixing mechanism and 'floor' prices to protect our downside risk. Certain aspects of our financing arrangements require the group to enter into Retail Price Index (RPI) swaps to manage an element of risk relating to changes in the RPI rate built into Renewable Obligation Certificate (ROC) contracts on the related sites.

INTEREST RATE RISK

Thrive Renewables uses a mixture of debt and equity to finance growth in the portfolio of operating assets. The debt financing potentially exposes the business to interest rate fluctuations. The risk has been minimised by gearing each new project at a level to allow debt repayments to be met with sufficient headroom. In most cases, long-term loans are subject to fixed interest rates that eliminate exposure to interest rate increases. Where long-term loans are not at fixed interest rates, the group seeks to fix these through the use of interest rate swaps.

CREDIT RISK

In the event of default by a customer, significant financial loss could arise. However, Thrive Renewables will normally only consider entering into power purchase agreements (PPA) for the sale of its electricity with utility companies or government-backed contracts. With merchant projects such as Dunfermline, March and Eye, an industrial host is the primary recipient of production, and therefore the counterparty to the PPA. However, there are also power purchase arrangements in place with reputable utility companies to receive any excess power, and the entire volume in the case of default of the host.

FOREIGN EXCHANGE RISK

Thrive Renewables imports capital equipment for the construction of renewable energy projects direct from suppliers located abroad and is therefore exposed to risk from fluctuations in foreign currency exchange rates. Forward currency contracts are purchased to mitigate foreign currency exposures at the time of entering into any such contract or commitment.

OPERATING RISK

The generation of electricity involves mechanical and electronic processes which may fail under certain conditions, leading to loss of revenues and repair or replacement costs. Thrive Renewables uses tried and tested technologies backed by warranty and service packages. Generally, warranties will guarantee a level of availability for between five and fifteen years and there will normally be a fixed price or index to production for the provision of operations and maintenance. We also buy specialist insurance to seek to mitigate against any losses.

CASH AND LIQUIDITY RISK

Cash and liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet cash flow commitments associated with financial instruments. The group has cash resources available to it and prepares, in the operating entities of the group, forecasts for the forthcoming year which indicate that in the Directors' opinion it will have sufficient resources to fund the continuation of trade.

The group monitors cash flow forecasts on a 'rolling forecast' basis to ensure it has sufficient cash to meet operational needs while maintaining enough headroom on its undrawn committed borrowing facilities at all times so as not to breach borrowing limits or covenants.

Typically, the group ensures that it has sufficient working capital to meet foreseeable operational expenses. At the year end the group had available facilities of £16.3m (2017: £11.6m).

GOVERNMENT POLICY

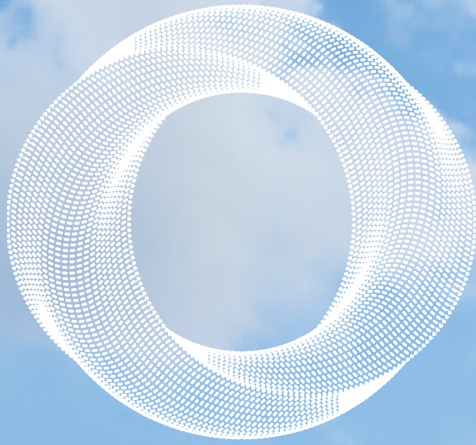
The renewable energy industry receives government incentives to encourage the generation of renewable energy. While there have been numerous changes reducing the support and incentives for which new projects are eligible, the schemes for which existing projects have qualified have not been modified. This allows each project to benefit from the original support for a predetermined term. No main political party has proposed any retrospective change.

PAYMENT POLICY

It is group policy to comply with the terms of payment agreed with each supplier rather than to follow a particular code or standard. Where terms are not negotiated, we endeavour to adhere to the supplier's standard terms. Trade creditors relate mainly to fixed assets purchased in the year, so no meaningful 'creditor's days' calculation is possible.

Approved by the Board of Directors
and signed by order of the Board

Katrina Cross
Secretary
3rd May 2019



DIRECTORS' REPORT

The Directors present their Annual Report on the affairs of the group, together with the audited consolidated financial statements and auditor's report, for the year ended 31 December 2018.

Details of significant events since the balance sheet date are contained in note 33 to the financial statements. An indication of likely future developments in the business of the Company and details of research and development activities are included in the strategic report.

Information about the use of financial instruments by the Company and its subsidiaries is given in note 29 to the financial statements.

DIRECTORS

The current Directors of the Company are shown on page one. All Directors served throughout the financial year and to date.

The Directors and their interests in the ordinary shares of the Company at the beginning of the financial year and the end of the financial year were:

	50P ORDINARY SHARES FULLY PAID	
DIRECTOR	2018	2017
Matthew Clayton	709	698
Katrina Cross	-	-
Katie Gordon	-	-
Charles Middleton	-	-
Colin Morgan	4,384	4,384
Simon Roberts	549	540
Tania Songini	-	-
Peter Weston	2,631	2,631

DIVIDENDS

The recommended dividend for 2017 of 4p per share was paid in July 2018. After a year of strong performance in 2018 the Directors recommend a dividend of 7p per share for payment in 2019.

We remain committed to paying annual dividends from the profits of the business (subject to maintaining appropriate financial reserves) and seeking further investment through share and bond issues to fund the group's growth. This is consistent with our approach to date and endorsed by feedback from the shareholder survey conducted in 2013.

An interim dividend of 40p per share has been paid in April 2019 following the sale of two of the subsidiaries of the group. This is a one-off event and has not impacted the results or recommended dividend for 2018.

POST BALANCE SHEET EVENTS

The assets and liabilities related to Equitix Wern Ddu Limited (formerly Wern Ddu Limited) and Equitix Kessingland Limited (formerly Kessingland Limited) have been presented as held for sale, following the in principle approval of the Directors to sell the companies. The completion date for the sale was 13th February 2019. The approximate proceeds of the sale is £23.7m consisting of £20.3m consideration and £3.4m received for the settlement of shareholder loans and a profit of approximately £15.5m.

CORPORATE GOVERNANCE

In 2016, Thrive decided to adopt the Quoted Companies Alliance Code (QCA Code). The code sets out governance guidance and best practice appropriate for companies of the scale of Thrive Renewables. While Thrive Renewables is not listed on any stock exchange, the QCA Code is largely relevant. The Company's website www.thriverenewables.co.uk hosts a range of information in accordance with the QCA Code. We continue to incorporate the additional information into the Annual Report and Accounts.

The table below summarises the responsibilities and membership of the four Board Committees.

COMMITTEE	KEY RESPONSIBILITY	CHAIR	MEMBER
Audit	Oversight of the governance, finances, risks and processes	Tania Songini	Charles Middleton
Nominations	Oversight of the performance and appropriateness of the Board resources and recruitment of Board members	Simon Roberts	Katie Gordon
Remuneration	Oversight of the appropriateness of the remuneration, incentivisation and retention of Board and senior executives	Charles Middleton	Colin Morgan Katie Gordon (appointed November 2018)
Operations, Health, Safety and Environment	Oversight of the HS&E and the operations of the Company	Peter Weston	Colin Morgan

BOARD COMMITTEE REPORTS

Each Board Committee's report for 2018 is presented below. The terms of reference of the Board Committees, and the wider governance structure is available on our website. The chair of each committee reports to the Board on the Committee's work and the Board receives minutes of all committee meetings.

AUDIT COMMITTEE

The Role of the Audit Committee

The Board's obligation to establish formal and transparent arrangements for considering how it should apply financial reporting and internal control principles, and for maintaining an appropriate relationship with the Company's external auditors, PricewaterhouseCoopers LLP, is met through the Audit Committee.

The Audit Committee is chaired by Tania Songini and comprises one other independent Non-Executive Director – Charles Middleton. Both committee members are considered to have recent and relevant financial experience.

The Audit Committee met six times during 2018, including immediately before the Company's full year results were published. It follows an agreed annual work program comprising both regular items and areas considered to require particular focus. The Managing Director and Finance Director attend the meetings and the external auditors participate once a year. The Audit Committee chair or the Committee meet with the auditors, without management present, from time to time.

Activities in 2018

The specific items considered by the Audit Committee in 2018 included:

- consideration of the half-yearly and interim management statements and preliminary full year results and the annual accounts;
- consideration of proposed budget for 2019;
- consideration of compliance with accounting standards, appropriate accounting policies and practices, accounting and reporting issues and going concern assumptions;
- in depth review of the risk register ensuring closer alignment with the Company's strategic objectives (review of risks and impact and addition of incident reporting and learning);
- completing the review and further strengthening of the internal controls framework of financial and wider business controls and testing/assurance to ensure overall control effectiveness, taking into account and incorporating external best practice;
- consideration of PricewaterhouseCoopers LLP's in-depth reports to the Committee on the scope and outcome of the annual audit and management's response, including accounting matters, governance and control and accounting developments (including consideration of the impact of International Finance Reporting Standards 9, 15 and 16);
- review and pre-approval of services provided by the auditors during the year, including all non-audit work performed by the auditors to ensure that the objectivity and independence of the auditors was not compromised – PricewaterhouseCoopers LLP only provided advisory work in respect of tax related matters;
- recommending the re-appointment of PricewaterhouseCoopers LLP as the group's auditors;
- confirmation that no concerns were raised with the Committee about possible improprieties in matters of financial reporting or other matters;
- reviewing the Committee's terms of reference to ensure they reflect developments in corporate governance in the UK.

The Committee reviewed its activities in 2018 against its terms of reference and concluded that it had discharged the responsibilities delegated to it under those terms of reference. It has satisfied itself that the Company's business, and that of its subsidiaries, is being conducted in a proper and economically sound manner.

Tania Songini
Chair of the Audit Committee

NOMINATIONS COMMITTEE

The Nominations Committee (NC) met twice in 2018. The committee members (Simon Roberts (Chair) and Katie Gordon) were present at both meetings. Matthew Clayton attended one of the meetings.

As part of the Company's Articles of Association, all non-executive board members must stand for re-election every three years. The Nominations Committee considered Colin Morgan continues to have relevant skills and experience and makes a positive contribution. Therefore, his re-appointment was proposed at the Company's AGM in June 2018. Colin was successfully reappointed.

The Nominations Committee undertook a detailed review of board effectiveness in the second half of 2018. The process involved both a detailed survey and one to one sessions with the Chair.

The effectiveness review concluded that the Board are operating in an appropriate manner, providing challenge to the executive team, bringing the required skills to the Company and representing the shareholders' interests.

In addition to some operational improvements which were identified in the review, it was proposed that Charles Middleton be appointed as the Senior Independent Director. The Nominations Committee also proposed the appointment of Katie Gordon as a member of the Remuneration Committee. Both appointments were unanimously agreed by the Board in November 2018.

Following a review of the Nominations Committee terms of reference, the Committee concluded that they had satisfactorily discharged its responsibilities.

Simon Roberts
Chair of the Board and of the Nominations Committee.

REMUNERATION COMMITTEE

The Remuneration Committee (RC) has met twice in 2018, with both committee members (Charles Middleton (Chair) and Colin Morgan) present, and Matthew Clayton in attendance. In November 2018, it was proposed and agreed that Katie Gordon would join the Remuneration Committee. Katie will join the first Remuneration Committee meeting in 2019.

No changes have been made to the remuneration policy agreed and implemented in 2017. The policy provides for fair pay for a professionally managed values-based business. The basis of the executive remuneration package is consistent throughout the Company. The package comprises a basic salary, a modest bonus which is awarded annually in the case of exceptional performance, Company pension scheme contributions, plus inclusion in the Company's death in service and long term sickness insurance scheme.

In 2018, the Remuneration Committee performed a benchmarking exercise of both the non-executive board and the executive team's remuneration. The benchmarking exercise sought to strike an appropriate balance between market-based levels of reward for similarly skilled and experienced individuals, the levels of responsibility incumbent in the roles and the values led nature of Thrive. The conclusions of the benchmarking exercise resulted in an average 4% salary increase for the executive team which has been implemented as part of the annual salary review process which takes place in December 2018 and commences in January 2019.

The salary ratios for the executive management team are presented in the table below.

	RATIO OF HIGHEST SALARY COMPARED WITH LOWEST SALARY	RATIO OF HIGHEST SALARY COMPARED WITH AVERAGE (MEAN) SALARY
2017	3.7x	1.8x
2018	3.8x	1.8x

The non-executive Directors' remuneration is a fixed annual fee. Following the benchmarking, it was agreed that an increment to the non-executive Directors' remuneration would be proposed to the Board in January 2018. A fee change from £9,000 to £10,000 per annum, 11% for non-executive Directors, and from £12,000 to £13,000 per annum, 8% for the Chair was agreed in January 2018, the first change since 2012. The revised fees are to be backdated to 1 January 2018. In January 2019, it was agreed that the non-executive remuneration would, subject to performance be adjusted annually by inflation. Therefore, in January 2019 the non-executive Directors fees were increased by 2.2% (CPIH[29]). Additionally, the Chair's remuneration was increased from £13,000 to £14,280 (£1,000 increment plus inflation) reflecting the additional work load and contribution of this key board position.

In November 2018, the Remuneration Committee reviewed the committee's terms of reference and were satisfied that they had discharged their responsibilities delegated under them.

In addition to routine review and challenge, the Remuneration Committee intends to review the wider employment benefit options in 2019.

Charles Middleton
Chair of the Remuneration Committee

[29] Consumer Price Index (including housing costs)

OPERATIONS, HEALTH, SAFETY AND ENVIRONMENT (OHSE) COMMITTEE

The OHSE Committee is responsible for overseeing matters related to health, safety, operations and the environment in the Company, particularly in regard to our operational renewable assets and those in construction. The committee is not formally required under the QCA Code, but the Board of Directors considers that the committee's oversight role was important due to the Company's operation of physical renewable assets.

The Operations, Health, Safety and Environment (OHSE) Committee met on four occasions during 2018. Both committee members, Peter Weston (Chair) and Colin Morgan were present at all meetings and were joined by Matthew Clayton and Adrian Warman (Operations Manager) to agree targets and monitor progress against the Company's operational objectives.

In 2018 there has been particular focus on three areas - the performance of turbine manufacturers against their service contracts; revisiting the engagements with Thrive's third party asset managers to improve alignment with Company objectives and; establishing a strategy to review the condition of the wind turbine blades throughout the portfolio. In particular the strategy for blade inspections has considered the relative safety, quality and cost effectiveness of rope access, high definition photography and the rapidly evolving use of unmanned aerial vehicles (UAVs or drones).

In November 2018 the OHSE Committee reviewed the committee's terms of reference and were satisfied that they had discharged their responsibilities delegated under them.

Peter Weston
Chair of the OHSE Committee

BOARD OF DIRECTORS, MANAGEMENT AND ADMINISTRATION

BOARD OF DIRECTORS

SIMON ROBERTS OBE
Chair

Simon has spent more than 30 years helping people, organisations and policy-makers change the way they think and act on energy. Since 2002 he has been Chief Executive of the Centre for Sustainable Energy (CSE), one of the UK's leading energy charities. Prior to this, he held senior roles at Friends of the Earth and Triodos Bank. He was Managing Director of Thrive Renewables (when it was The Wind Fund) from 2000-2002.

An experienced policy analyst and strategist, Simon is a specialist advisor to government, industry and academic bodies, including Ofgem on energy network regulation and the government on the UK's plans to cut carbon emissions. He was appointed to the government's new Smart Systems Forum in 2017, advising the government on the transition to a smart, very low carbon electricity system. Simon is a non-executive Director of Bristol Green Capital Partnership CIC. He was awarded an OBE in 2011 for services to the renewables industry.

CHARLES MIDDLETON
Senior Independent Director

Charles has spent most of his career in banking, initially at Barclays where he worked in the UK and overseas in India, Botswana and the Caribbean. More recently he was Managing Director of Triodos Bank in the UK for 14 years, developing his interest in supporting environmental and social projects. During this time he was actively involved in the development of Triodos Renewables up until the moment it became Thrive Renewables. He is currently a board member of a UK based Impact Capital advisory business and on the investment committee of a Social Impact Fund investing in organisations in the West Midlands. He was, until recently on the board of a microfinance bank in India. He practices as a psychotherapist and coach working with individuals and teams and is also the Chair of ChildHope, an organisation that works with street children across the world. Charles is also a Trustee of the charity Freedom From Torture.

MATTHEW CLAYTON
Managing Director

Matthew has worked in the Thrive Renewables team (formerly Triodos Renewables) since 2006 and undertakes the overall management of Thrive Renewables Plc (now as full time employee and prior to March 2016 under the management agreement with Triodos Bank). In this time Matthew has contributed to the 15-fold growth in the Company. At Triodos Bank, Matthew's responsibilities included leading the Energy and Climate equity investment team and membership of the Energy and Climate Investment Committee. Prior to joining Triodos Bank, Matthew was part of a small team which established Camco International, one of the world's leading carbon trading companies, focusing on supporting sustainable energy projects via the Kyoto framework. Before this, Matthew worked in Risk Management for TXU's Energy Trading team.

KATRINA CROSS
Finance Director and Company Secretary

Katrina joined Triodos Bank in 2012 as Head of Finance and Operations for Investment Management UK which provided the financial and administrative support functions to Triodos Renewables and investment funds managed by the bank in the UK. In 2015 Katrina left Triodos to set up her own business but continued to provide Finance Director Services to Thrive Renewables and in December 2018 joined the Company on a full time basis. Katrina is a qualified accountant, trained with a general practice and Coopers & Lybrand tax division and spent seven years with Watts Gregory as head of audit with a wide range of clients including charities, SMEs and large private companies. Prior to joining Thrive Renewables, Katrina spent seven years as a Finance Director of an environmental company that remediated contaminated land. During this time Katrina steered the company to profitable sustained growth which resulted in the company being purchased by a Canadian public company looking to expand in the UK. Working for Thrive Renewables enables Katrina to work towards providing robust financial returns to investors whilst delivering strong social and environmental benefit.

TANIA SONGINI
Non-Executive Director

Tania joined the Board as Chair of the Audit Committee on 22 October 2015. Tania has a portfolio of non-executive Director roles and business consulting work. Tania is also Treasurer and Trustee on the board of Bond (the British network of NGOs working in international development), NED and Chair of the Audit Committee at London Energy (a waste to energy operator), NED at Oxford Policy Management (a development consultancy) and at the Private Infrastructure Development Group (a fund enabling and financing infrastructure projects in Sub-Saharan Africa and South/ South-East Asia). Her consulting work focuses on productivity programmes across Siemens Healthcare in EMEA.

Previously, Tania worked for leading global engineering and technology services company Siemens, where she held a number of Finance Director and Non-Executive Board Director roles, including for Siemens Energy in the UK where she was also Controller for Siemens Energy North West Europe region. Tania is the Chair of ViaNinos UK, a charity she established in the UK in 2009 that supports projects helping street and working children in Ecuador.

PETER WESTON
Non-Executive Director

Peter is Global Programmes Director at Energy 4 Impact, a non-profit organisation which supports small businesses in off-grid sustainable energy in Sub Saharan Africa. Peter is an expert in renewable energy, bringing to the Thrive Board over 20 years' experience as an investor, lender and strategic adviser in the renewable energy sector. He is a board member of Renewable World, which manages micro-scale renewable projects in developing countries, and was a visiting lecturer on energy finance at ESCP Business School. He was previously global head of finance and investment for two power equipment suppliers – Siemens Wind Power and MAN – and led GE Capital's European energy lending team. Prior to this he held management roles at the bank WestLB and the trading firm Aquila Energy. Peter has a BA in Economics and Politics from Warwick University.

KATIE GORDON
Non-Executive Director

Katie has spent most of her career in Socially Responsible Investment (SRI) and corporate marketing. She was Head of SRI at Cazenove Capital Management for 12 years, where she initiated, led and developed the SRI offering. This was followed by 5 years as Director of Responsible Investment and Stewardship at CCLA. Prior to working in SRI, Katie spent 5 years in strategic brand management, and was founding Director of Swordfish Integrated Marketing. Previous board positions include 7 years as a trustee of Durrell Wildlife Conservation Trust and board Director of UK Sustainable Investment Forum (UKSIF). Katie is currently an independent member of the Access Endowment Investment Committee; trustee of Durrell Wildlife Conservation Trust UK; and on the Advisory Board of LEAP - Livestock, Environment and People - at Oxford University.

COLIN MORGAN
Non-Executive Director

Colin is a Chartered Engineer who has worked in the renewable energy industry since 1987 primarily on the development, construction and operation of projects. He also works as a consulting engineer in Everoze, a technical and commercial clean energy consultancy of approximately 40 staff which he co-founded. Previously, he grew and ultimately led one of the global regions for DNV GL – at the time the world's leading renewable energy consultancy – including having overall profit and loss responsibility for a team of 400 staff. He is a graduate of Imperial College London, a qualification supplemented throughout his career by ongoing technical training as well as training in contract management, leadership and governance. Colin's technical specialisms include: wind turbine design and analysis, research into wind farm wake effects, wind and energy resource assessment, strategic analysis, and technical due diligence of projects.

EXECUTIVE MANAGEMENT TEAM

MATTHEW CLAYTON
Managing Director

See previous in the Board section

KATRINA CROSS
Finance Director and Company Secretary

See previous in the Board section

MONIKA PAPLACZYK
Senior Investment Manager

Monika is employed by Thrive Renewables Plc and has been part of the Thrive Renewables team since 2007 (previously under the management agreement with Triodos Bank). In her role as Senior Investment Manager, Monika leads the originating, development, acquisition and construction of sustainable energy assets for Thrive Renewables. Monika also manages the commercial aspects of the portfolio, such as sourcing and negotiating power purchase arrangements. Before joining Triodos Bank Monika worked in Edinburgh for a consulting company where she was involved in preparing business plans and grant applications for community development, biomass and grain storage projects.

ADRIAN WARMAN
Operations Manager

Adrian joined Thrive Renewables (formerly Triodos Renewables) in 2012 as Operations Manager in response to the growing portfolio of generating sites around the country. The role of Operations Manager is to ensure contracts are in place and fulfilled to maintain our operating assets in line with legislation and industry standards, allowing them to run most efficiently and productively over time. Adrian has a degree in Geography, Certificate in Management Studies and applied experience of contractor management, health and safety, systems development, resource management and logistics. Prior to joining Thrive Renewables Adrian spent seven years at a senior level in the energy efficiency sector with a leading carbon reduction company focused on identifying and implementing appropriate energy-saving measures in the built environment.

LOUISE DANIELS
Communications & Marketing Manager

Louise joined Thrive Renewables in September 2018. She has been working in marketing communications for more 25 years, initially in PR consultancy and latterly in house for ethical business and social enterprises. Renewable energy is one of her passions and she has considerable experience in the sector, having previously handled PR for Good Energy and Mongoose Energy. At Thrive, Louise is responsible for managing communication with all external stakeholders including shareholders, partners, the industry and local communities.

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and Company and of the profit or loss of the group and Company for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable IFRSs as adopted by the European Union have been followed for the group financial statements and United Kingdom Accounting Standards, comprising FRS 101, have been followed for the Company financial statements, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and Company will continue in business.

The Directors are also responsible for safeguarding the assets of the group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group and Company's transactions and disclose with reasonable accuracy at any time the financial position of the group and Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

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

DIRECTORS' CONFIRMATIONS

In the case of each Director in office at the date the Directors' Report is approved:

- so far as the Director is aware, there is no relevant audit information of which the group and Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the group and Company's auditors are aware of that information.

AUDITORS

The independent auditors, PricewaterhouseCoopers LLP, will be proposed for re-appointment at the forthcoming Annual General meeting.

Approved by the Board of Directors and signed by order of the Board

Katrina Cross
Secretary

Date: 3rd May 2019

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THRIVE RENEWABLES PLC

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

In our opinion:

- Thrive Renewables Plc's group financial statements and Company financial statements (the "financial statements") give a true and fair view of the state of the group's and of the Company's affairs as at 31 December 2018 and of the group's profit and cash flows for the year then ended;

- the group financial statements have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union;

- the Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and

- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Consolidated and Company Statements of Financial Position as at 31 December 2018; the Consolidated Profit and Loss Account, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Cash Flows, and the Consolidated and Company Statements of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

CONCLUSIONS RELATING TO GOING CONCERN

ISAs (UK) require us to report to you when:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's and Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's and Company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union, are not clear, and it is difficult to evaluate all of the potential implications on the group's trade, customers, suppliers and the wider economy.

REPORTING ON OTHER INFORMATION

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and Company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT

Responsibilities of the Directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement set out on page 50, the Directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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.

OTHER REQUIRED REPORTING

COMPANIES ACT 2006 EXCEPTION REPORTING

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

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

We have no exceptions to report arising from this responsibility.

Colin Bates (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and
Statutory Auditors
Bristol

Date: 3rd May 2019

STRATEGIC REPORT
DIRECTORS' REPORT
FINANCIAL STATEMENTS

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2018

	NOTE	2018 £	2017 £
CONTINUING OPERATIONS			
Revenue	5	16,522,624	15,609,821
Cost of sales		(9,121,763)	(8,775,494)
GROSS PROFIT		7,400,861	6,834,327
Other operating income	6	781,762	372,187
Administrative expenses		(2,817,290)	(2,810,962)
OPERATING PROFIT		5,365,333	4,395,552
Finance costs	9	(3,424,584)	(3,770,851)
Finance income	9	1,237,348	1,190,508
Share of net profit of associates and joint ventures accounted for under the equity method	7	176,245	299,358
Movement in fair value of derivative financial instruments		580,088	551,158
PROFIT BEFORE INCOME TAX	10	3,934,430	2,665,725
Income tax	11	(904,265)	(628,624)
PROFIT FOR THE YEAR		3,030,165	2,037,101
Profit attributable to:			
Owners of the parent		2,802,340	1,886,249
Non-controlling interests		227,825	150,852
		3,030,165	2,037,101

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2018

	2018 £	2017 £
PROFIT FOR THE YEAR	3,030,165	2,037,101
OTHER COMPREHENSIVE INCOME	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	3,030,165	2,037,101
Total comprehensive income attributable to:		
Owners of the parent	2,802,340	1,886,249
Non-controlling interests	227,825	150,852
	3,030,165	2,037,101

STRATEGIC REPORT

DIRECTORS' REPORT

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2018

	NOTE	2018 £	2017 £
ASSETS			
NON-CURRENT ASSETS			
Goodwill	14	3,534,747	3,534,747
Other intangible assets	15	10,838,083	14,573,911
Tangible assets	16	41,516,863	55,865,665
Investments - associates and joint ventures	17	2,554,888	2,378,642
Loan receivables	18	11,091,906	15,238,014
Derivative financial instruments	19	29,112	60,139
Deferred tax asset	30	119,507	104,098
		69,685,106	91,755,216
CURRENT ASSETS			
Trade and other receivables	20	4,667,051	5,808,013
Assets classified as held for sale	21	16,543,760	-
Cash and cash equivalents	22	16,321,999	11,563,227
		37,532,810	17,371,240
TOTAL ASSETS		107,217,916	109,126,456
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	24	10,956,551	11,024,035
Share premium	25	23,827,094	23,744,407
Capital redemption reserve	25	104,583	14,210
Retained earnings	25	1,905,905	385,487
Equity attributable to owners of the parent		36,794,133	35,168,139
Non-controlling interests	23	1,449,755	1,452,241
TOTAL EQUITY		38,243,888	36,620,380

CONSOLIDATED STATEMENT OF FINANCIAL POSITION CONTINUED

AT 31 DECEMBER 2018

	NOTE	2018 £	2017 £
LIABILITIES			
NON-CURRENT LIABILITIES			
Derivative financial instruments	19	1,034,011	1,645,126
Borrowings	27	46,027,918	50,116,490
Deferred tax liabilities	30	4,905,692	5,934,924
		51,967,621	57,696,540
CURRENT LIABILITIES			
Trade and other payables	26	3,269,640	3,070,505
Liabilities classified as held for sale	21	9,580,537	-
Borrowings	27	3,624,281	11,249,438
Current tax liabilities		531,949	489,593
		17,006,407	14,809,536
TOTAL LIABILITIES		68,974,028	72,506,076
TOTAL EQUITY AND LIABILITIES		107,217,916	109,126,456

The financial statements of Thrive Renewables Plc, registered no 02978651, were approved by the Board of Directors and authorised for issue on 3rd May 2019.

Matthew Clayton
Director

COMPANY STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2018

	NOTE	2018 £	2017 £
ASSETS			
NON-CURRENT ASSETS			
Tangible assets	16	11,209	13,919
Investments - subsidiaries, associates and joint ventures	17	17,344,257	19,680,052
Loan receivables	18	9,149,946	13,760,457
Trade and other receivables	19	-	21,886,436
Deferred tax asset	30	25,150	10,829
		26,530,562	55,351,693
CURRENT ASSETS			
Trade and other receivables	20	19,040,896	2,151,590
Assets classified as held for sale	21	5,176,485	-
Cash and cash equivalents	22	7,519,096	3,165,838
		31,736,477	5,317,428
TOTAL ASSETS		58,267,039	60,669,121
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	24	10,956,551	11,024,035
Share premium	25	23,827,094	23,744,407
Capital redemption reserve	25	104,583	14,210
Retained earnings	25	4,925,434	6,384,385
TOTAL EQUITY		39,813,662	41,167,037

COMPANY STATEMENT OF FINANCIAL POSITION - CONTINUED

AT 31 DECEMBER 2018

	NOTE	2018 £	2017 £
LIABILITIES			
NON-CURRENT LIABILITIES			
Borrowings	27	11,735,622	9,689,731
CURRENT LIABILITIES			
Trade and other payables	26	6,717,755	7,685,009
Borrowings	27	-	2,127,344
		6,717,755	9,812,353
TOTAL LIABILITIES		18,453,377	19,502,084
TOTAL EQUITY AND LIABILITIES		58,267,039	60,669,121

As permitted by Section 408 of the Companies Act 2006, the income statement of the parent company is not presented as part of these financial statements. The parent company's loss for the financial year was £(177,029) (2017 - £4,563,643 profit). The loss for 2018 included £666,689 (2017 - £5,200,576) dividends received from subsidiary companies.

The financial statements of Thrive Renewables Plc, registered no 02978651, were approved by the Board of Directors and authorised for issue on 3rd May 2019.

Matthew Clayton
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2018

	CALLED UP SHARE CAPITAL	RETAINED EARNINGS	SHARE PREMIUM	CAPITAL REDEMPTION RESERVE	EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	NON-CONTROLLING INTERESTS	TOTAL EQUITY
	£	£	£	£	£	£	£
Balance at 1 January 2017	11,001,207	(620,673)	23,659,472	14,210	34,054,216	1,370,713	35,424,929
Changes in equity							
Shares issued (net of issue and redemption costs)	22,828	-	84,935	-	107,763	-	107,763
Dividends	-	(880,089)	-	-	(880,089)	(69,324)	(949,413)
Total comprehensive income/ (expense) for the financial year	-	1,886,249	-	-	1,886,249	150,852	2,037,101
Balance at 31 December 2017	11,024,035	385,487	23,744,407	14,210	35,168,139	1,452,241	36,620,380
Changes in equity							
Issue of share capital (net of issue costs)	22,889	-	82,687	-	105,576	-	105,576
Dividends	-	(881,923)	-	-	(881,923)	(230,311)	(1,112,234)
Share buy-back	(90,373)	(399,999)	-	90,373	(399,999)	-	(399,999)
Total comprehensive income/(expense) for the financial year	-	2,802,340	-	-	2,802,340	227,825	3,030,165
Balance at 31 December 2018	10,956,551	1,905,905	23,827,094	104,583	36,794,133	1,449,755	38,243,888

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2018

	CALLED UP SHARE CAPITAL	RETAINED EARNINGS	SHARE PREMIUM	CAPITAL REDEMPTION RESERVE	TOTAL EQUITY
	£	£	£	£	£
Balance at 1 January 2017	11,001,207	2,700,831	23,659,472	14,210	37,375,720
Changes in equity					
Issue of share capital (net of issue costs)	22,828	-	84,935	-	107,763
Dividends	-	(880,089)	-	-	(880,089)
Total comprehensive income for the financial year	-	4,563,643	-	-	4,563,643
Balance at 31 December 2017	11,024,035	6,384,385	23,744,407	14,210	41,167,037
Changes in equity					
Issue of share capital (net of issue costs)	22,889	-	82,687	-	105,576
Dividends	-	(881,923)	-	-	(881,923)
Share buy-back	(90,373)	(399,999)	-	90,373	(399,999)
Total comprehensive expense for the financial year	-	(177,029)	-	-	(177,029)
Balance at 31 December 2018	10,956,551	4,925,434	23,827,094	104,583	39,813,662

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2018

	NOTE	2018 £	2017 £
Cash flows from operating activities			
Cash generated from operations	34	10,856,289	9,980,125
Interest paid		(3,424,584)	(3,770,851)
Income taxes paid		(415,535)	-
Net cash inflow from operating activities		7,016,170	6,209,274
Cash flows from investing activities			
Purchase of tangible fixed assets		(103,408)	(235,085)
Purchase of fixed asset investments		(1)	-
Loans advanced		(451,918)	(11,328,236)
Disposal of intangible fixed assets		115,384	-
Loan investment repaid		5,311,620	-
Interest received		1,237,348	1,190,508
Net cash inflow/(outflow) from investing activities		6,109,025	(10,372,813)
Cash flows from financing activities			
Proceeds from borrowings		-	2,240,000
Repayment of borrowings		(4,257,360)	(4,237,765)
Proceeds from issue of ordinary shares		105,576	107,763
Share buyback		(399,999)	-
Dividends paid to owners of the parent		(881,923)	(880,089)
Dividends paid to non-controlling interests		(230,311)	(69,324)
Net cash outflow used used in financing activities		(5,664,017)	(2,839,415)
Net increase/(decrease) in cash and cash equivalents		7,461,178	(7,002,954)
Cash and cash equivalents at beginning of year	35	11,563,227	18,566,181
Cash and cash equivalents at end of year	35	19,024,405	11,563,227

NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2018

1. GENERAL INFORMATION

Thrive renewables Plc is a public Company limited by shares and incorporated and domiciled in Bristol in the United Kingdom under the Companies Act. The address of the registered office is given on page 4. The principal activities of the Company and its subsidiaries (the Group) and the nature of the Group's operations are set out in the strategic report on pages 11 to 39.

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

ADOPTION OF NEW AND REVISED STANDARDS

New standards, amendments and interpretations

The group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2018:

- IFRS 9, 'Financial Instruments';
- IFRS 15, 'Revenue from Contracts with Customers';
- Annual Improvements 2014-2016 cycle.

Although the standards and amendments are applied for the first time in 2018, they did not have a material impact on the financial statements of the Group or company. Management have assessed the business models that apply to the financial assets held by the group and company at the date of initial application of IFRS 9 and subsequently classified its financial instruments into the appropriate categories. Financial assets and financial liabilities are disclosed in note 29. There were no changes to the measurement categories of the company's financial assets as a result of adopting IFRS 9.

As a result of adopting IFRS 15, the company changed its accounting policy for revenue recognition as detailed under the revenue recognition accounting policy. The adoption of IFRS 15 has resulted in no change to the amounts disclosed within the financial statements.

In accordance with the available transition provisions in IFRS 9 and IFRS 15, the group has adopted the new rules retrospectively. These changes were made without requiring the restatement of comparative information.

The Company has not early adopted any other standards, amendments or interpretations that have been issued but not yet effective.

New standards, amendments and interpretations not yet adopted

A number of new standards, amendments and interpretations are effective for annual periods beginning after 1 January 2019, and have not been applied in preparing these financial statements. The Company's assessment of the impact of the applicable standards and interpretations is set out below:

IFRS 16 'Leases' addresses the definition of a lease, recognition and measurement of leases, and it establishes principles for reporting useful information to users of financial statements about the leasing activities of both lessees and lessors. A key change arising from IFRS 16 is that most operating leases will be accounted for on the statement of financial position for lessees. The standard replaces IAS 17, 'Leases', and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2019. Early adoption is permitted, subject to the entity adopting IFRS 15, 'Revenue from Contracts with Customers', at the same time. The Company has not chosen to early adopt this standard.

The Company will adopt IFRS 16 retrospectively in accordance with the transition provisions in IFRS 16 C5(b) with the cumulative effect of initially applying the new standard recognised on 1 January 2019. The Company will be required to recognise its current operating leases (note 28) on its statement of financial position. The Company estimates that the value of the right of use asset will amount to approximately £3.0m, with a corresponding lease liability of approximately £3.0m at the date of transition. The group expects that change in net profit after tax will be immaterial as a result of adopting the new rules. The adoption of IFRS 16 will result in changes to amounts recognised in the income statement, with the operating lease expense currently

reported under IAS 17 within operating expenses, replaced by depreciation and interest charges, resulting in temporary timing differences over the life of the lease.

2. STATUTORY INFORMATION

Thrive Renewables Plc is a public company, limited by shares, registered in England & Wales. The Company's registered number and registered office address can be found on the General Information page.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The group consolidated financial statements have been prepared on a going concern basis in accordance with the Companies Act 2006 and with EU adopted IFRS and interpretations issued by the IFRS Interpretations Committee (IFRS IC).

The financial statements of the Company are presented as required by the Companies Act 2006. These financial statements we prepared on a going concern basis, in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' as issued by the Financial reporting Council. As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, capital management, presentation of comparative information in relation to certain assets, presentation of a cashflow statement, standards issues but not yet effective, impairment of assets and related party transactions. Where relevant, equivalent disclosures have been given in the Group accounts of Thrive Renewables Plc.

The particular accounting policies adopted, which have been applied consistently throughout the current and the prior financial year unless otherwise stated, are described below.

Basis of accounting

The financial statements are prepared on a going concern basis, under the historical cost basis except for financial instruments held at fair value through profit and loss as disclosed. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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 a liability, the Group 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 consolidated financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as value in use in IAS36 Impairment.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the 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 (unadjusted) in active markets for identical assets or liabilities that the entity 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.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 December each year. Control is achieved when the Company:

- has the power over the investee;
- is exposed, or has rights, to variable return from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights

are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company losses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in the consolidated profit and loss account from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests have a deficit balance.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the group loses control of a subsidiary, the gain or loss on disposal recognised in profit or loss is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), less liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs).The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39 Financial Instruments: Recognition and Measurement, when applicable, the costs on initial recognition of an investment in an associate or a joint venture.

Going concern

The Group and Company financial statements adopt the going concern basis on the grounds that the Directors believe the Group and Company have adequate resources to continue in operational existence for the foreseeable future. Further details are included in the Strategic Report.

Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively; and

- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

When the consideration transferred by the Group in a business combination include an asset or liability resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is re-measured at subsequent reporting dates at fair value with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held interest in the acquired entity is re-measured to its acquisition date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

Goodwill

Goodwill is initially recognised and measured as set out in the policy 'Business Combinations'.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the group's cash-generating units expected to benefit from the synergies of the combination. cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated

to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in subsequent period.

On disposal of a cash-generating unit, the attributable amount of goodwill is included in the determination of the profit and loss on disposal. The group's policy for goodwill arising on the acquisition of an associate is described below.

Associates and joint ventures
An associate is an entity over which the group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement over which the group has joint control and the right to the net assets of the entity.

The results, assets and liabilities of associates and joint ventures are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

Under the equity method, an investment in an associate or joint venture is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate or joint venture exceeds the group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or joint venture is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of IAS 36 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate or joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount; any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or joint venture, or when the investment is classified as held for sale. When the group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with IAS 39. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate. In addition, the Group financial statements for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

When the Group reduces its ownership interest in an associate but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain

or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a Group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

Revenue recognition

Revenue, which is stated net of value added tax, represents amounts received or receivable in relation to the Company's principal activities in the United Kingdom.

Revenue from the supply of electricity and associated benefits represents the value of electricity generated under contracts to the extent that there is a right to consideration and is measured and recorded at the fair value of the consideration due.

Revenue is recognised when performance obligations have been satisfied and for the group this is when electricity has been generated and transferred to the customer along with the associated benefits and the customer subsequently has control of these.

The Directors consider that there is only one class of business and hence segmental information by class is not provided. The total turnover of the Company for the financial year has been derived from its principal activity wholly undertaken in the UK.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Operating profit

Operating profit is stated as profit from operations, but before investment income and finance costs.

Retirement benefit costs

Payments to defined contribution retirement benefit schemes are recognised as an expense when employees have rendered service entitling them to the contributions. Payments made to state managed retirement benefit schemes are dealt with as payments to defined contribution schemes where the Group's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit scheme.

Pension costs

The Group operates a defined contribution pension scheme for all qualified employees, the assets of which are held in individually administered funds. Pension costs are charged to the profit and loss account as incurred.

Taxation

Current tax, including corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit reported in the profit and loss account because it excludes items of income and expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the statement of financial position date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements 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. Deferred tax assets are recognised only to the extent that the Directors consider that it is probable that there will be suitable taxable profits against which deductible temporary differences can be utilised.

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 based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date.

Foreign exchange

Transactions denominated in foreign currencies are translated into sterling at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date. These translation differences are dealt with in the profit and loss account.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rentals in respect of operating leases are charged to the profit and loss account in equal annual amounts over the lease term.

Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as assets held for sale where their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and any impairment loss. Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset on a straight-line basis, as follows:

Leasehold property	over 25 years
Plant and machinery	over 20 years
Fixtures and fittings	over 5 years
IT equipment	over 4 years

Assets under construction are not depreciated.

The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Current asset investments

Current asset investments represent cash held on deposit or short-term loans.

Investments

Investments held as fixed assets are stated at cost less any provision for impairment.

Intangible fixed assets acquired separately
Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and impairment losses. Amortisation is provided on cost in equal annual instalments over the estimated lives of the assets. The rates of amortisation are as follows:

Power purchase agreements	5% per annum

The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Intangible assets acquired in a business combination

Intangible assets are acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately. The rates of amortisation are as follows:

Development rights	5% per annum

Internally generated intangible assets - development expenditure

Development expenditure representing prospective renewable energy projects is written off, except where the Directors are satisfied as to the technical, commercial and financial viability of individual projects. In such cases, the identifiable expenditure is deferred and amortised over the period during which the group is expected to benefit. Provision is made for any impairment.

Development costs	5% per annum

Impairment of tangible and intangible assets excluding goodwill

At each balance sheet date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

An intangible asset with an indefinite useful life is tested for impairment at least annually and

whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Financial instruments

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are recognised immediately in profit or loss.

Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest rate method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Financial assets

Financial assets are classified into financial assets 'at fair value through profit and loss' ('FVTPL'), 'held-to-maturity' investments, available-for-sale financial assets, or loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial asset is (i) contingent consideration that may be paid by an acquirer as part of a business combination to which IFRS3 applies, (ii) held for trading, or (iii) it is designated as at FVTPL.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial assets at FVTPL are stated at fair value with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial assets and is included in the 'other gains and losses' line item in the profit and loss account.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flow of the investment have been affected.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets.

IFRS 9 Financial assets and expected credit loss model

The Company assesses on a forward looking basis the Expected Credit Losses (ECLs) associated with its financial assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk, and takes into account any collateral the Company holds that would mitigate such losses.

Details of how the Company has considered the impairment requirements of IFRS 9 and details of its approach to providing for ECLs can be found in note 19.

Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration that may be paid by an acquirer as part of a business combination to which IFRS 3 applies, (ii) held for trading, or (iii) it is designated as at FVTPL

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the profit and loss account.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risk, including foreign exchange forward contracts, interest rate swaps and cross-currency swaps.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently re-measured to their fair value at each balance sheet date.

The resulting gain or loss is recognised in profit or loss immediately. The group does not enter into any hedge accounting for effective hedge relationships.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised within 12 months. Other derivatives are presented as current assets or liabilities.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in note 3 above, the Directors are required to continually evaluate judgements, estimates and assumptions based on historical experience and other factors that are considered to be relevant.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions that have a risk of causing a material adjustment to the carrying amount of assets and liabilities are addressed below.

Estimation of tangible fixed asset useful lives

The useful life used to depreciate tangible fixed assets relates to the expected future performance of the assets acquired and management's estimate of the period over which economic benefits will be derived from the asset. There is no evidence of any changes to the asset useful lives.

Decommissioning costs

In determining the expected future costs of site decommissioning the Company estimates the expected costs taking into account the expected value of the asset being decommissioned. It is the intention that this would be settled as one cash flow transaction under one contract. Current market conditions indicate that this could lead to a positive inflow, or at least no cost, and therefore no provision for decommissioning has been made.

Impairment of goodwill, intangible assets and tangible fixed assets

Determining whether goodwill and intangibles are impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit over its estimated operational life and a pre-tax discount rate of 8% (2017 - 10%) is used in order to calculate present value. Forecast wind volumes are based on wind studies carried out at the commencement of each project, adjusted for experience as necessary. Electricity prices are determined with reference to externally sourced forward price curves, on contracted rates as appropriate. A rate of 2% per year is used for inflation. Forecasts cover the expected life of each project. The carrying amount of goodwill, intangibles and tangible fixed assets at the balance sheet date was £3.5m (2017 - £3.5m), £10.8m (2017 - £14.6m), and £41.5m (2017 - £55.9m) respectively; there is no evidence of impairment.

Fair value measurements and valuation processes

Some of the group's assets and liabilities are measured at fair value for financial reporting purposes. The Board of Directors determines the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of an asset or a liability, the group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the group engages counterparties or third party qualified valuers to perform the valuation.

5. REVENUE

Segmental analysis

The Directors consider that there is only one class of business provided within the UK and hence segmental information is not provided. The total turnover of the group for the financial year has been derived from its principal activity, being the supply of energy from renewable sources.

6. OTHER OPERATING INCOME

	2018 £	2017 £
Sundry receipts	781,762	372,187

OTHER OPERATING INCOME IS AS FOLLOWS:	2018 £	2017 £
Thrive Renewables (Ness Point) Limited	195,000	210,000
Thrive Renewables (Caton Moor) Limited	244,516	162,187
Thrive Renewables (Kessingland) Limited	121,402	-
Thrive Renewables (March) Limited	46,442	-
Thrive Renewables Plc	166,864	-
Other	7,538	-
	781,762	372,187

Other operating income for Thrive Renewables (Ness Point) Limited relates to an insurance claim for repairs to a generator. For Thrive Renewables (Caton Moor) Limited, Thrive Renewables (Kessingland) Limited and Thrive Renewables (March) Limited the other income relates to lost availability warranties held with the turbine manufacturer. In Thrive Renewables Plc the other income primarily relates to fees for project development and directorships.

7. SHARE OF ASSOCIATED COMPANY OPERATING PROFIT

SHARE OF ASSOCIATE'S NET PROFIT/(LOSS):	2018 £	2017 £
Fenpower Limited	267,443	208,161
Greenbreeze Energy (Holdings) Limited	(91,198)	91,197
Aura Power Energy Systems Limited	-	-
	176,245	299,358

All results from the Group's associates arose from continuing operations. Further details of investments in associates and joint ventures are provided in note 17.

8. EMPLOYEES AND DIRECTORS

GROUP AND COMPANY	2018 £	2017 £
The remuneration of Directors was as follows:		
Directors' emoluments	269,081	224,995

No pension contributions were paid on behalf of the non-executive Directors in either year. The above Directors' emoluments includes company pension contributions for executive Directors were £10,199 (2017 £8,900).

The highest paid Director remuneration was £98,123 (2017 £89,003) and pension contributions were £9,546 (2017 £8,900). In the year £103,814 of Directors' remuneration was paid to third party Companies of which those Directors were employed (2017 £92,566).

EMPLOYEE COSTS (INCLUDING DIRECTORS) WERE AS FOLLOWS:	2018 £	2017 £
Wages and salaries	419,795	404,410
Social security costs	37,813	36,926
Other pension costs	32,253	34,101
	489,861	475,437

During 2018 the average number of employees was 8 (2017: 8).

The Directors of the Company are considered the only key management personnel.

9. FINANCE COSTS

	2018 £	2017 £
Finance income:		
Interest receivable	1,237,348	1,190,508
Finance costs:		
Bank loans	2,310,750	2,610,560
Other loans	1,111,654	1,160,291
Other interest payable	2,180	-
	3,424,584	3,770,851

10. PROFIT BEFORE INCOME TAX

THE PROFIT BEFORE INCOME TAX IS STATED AFTER CHARGING:	2018	2017
	£	£
Operating leases	549,706	551,279
Depreciation - owned assets	4,174,957	4,219,614
Development costs amortisation	1,281,423	1,318,865
Purchase Power Agreement amortisation	13,998	13,999
Auditor's remuneration:		
Audit of the parent company accounts	28,500	20,620
Audit of subsidiary accounts	42,000	52,169
Audit related assurance services	800	800
Tax compliance	36,650	42,834
Tax advisory services	1,250	-
Foreign exchange differences	24,965	24,654
Earn out payments to project developers	641,846	442,925

11. INCOME TAX

ANALYSIS OF TAX EXPENSE/(INCOME)	2018	2017
	£	£
Current tax:		
Current tax on income for the year at 19% (2017:19.25%))	916,288	489, 593
Adjustment in respect of previous years	(10,929)	(10)
Deferred taxation:		
Origination and reversal of timing differences	29,811	190,169
Adjustments in respect of previous years	(4,836)	(4,475)
Effect of decreased tax rate	(26,069)	(46,653)
Total tax expense in consolidated profit and loss account	904,265	628,624

Factors affecting the tax expense
The tax assessed for the year is higher (2017:higher) than the standard rate of corporation tax in the UK. The difference is explained below:

	2018 £	2017 £
Profit before income tax	3,934,430	2,665,725
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 19.25%)	747,542	513,152
Effects of:		
Expenses not deductible for tax purposes	199,414	161,458
Adjustment in respect of previous years	(15,765)	4,079
Effect of future reduction in tax rate	(26,069)	(46,653)
Effect of losses / group relief / other reliefs	-	(3,412)
Amounts not recognised	(857)	-
Tax expense	**904,265**	**628,624**

12. LOSS OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the income statement of the parent company is not presented as part of these financial statements. The parent company's loss for the financial year was £(177,029) (2017 - £4,563,643 profit). The loss for 2018 included £666,689 (2017 - £5,200,576) dividends received from subsidiary companies.

13. DIVIDENDS

	2018 £	2017 £
Amounts recognised as distributions to equity holders in the period:		
Final dividend for the year ended 31 December 2018 of 4p (2017: 4p) per share	881,923	880,089

14. GOODWILL

COST	£
Opening balance at 1 January 2017	3,534,747
Additions	-
Balance at 31 December 2017	3,534,747
Additions	-
Balance at 31 December 2018	3,534,747
Accumulated impairment losses	
At 31 December 2018 and 31 December 2017	-
Net book value	
At 31 December 2018	3,534,747
At 31 December 2017	3,534,747

Further details with regards to the carrying value of Goodwill is given in note 4.

15. OTHER INTANGIBLE ASSETS

GROUP	DEVELOPMENT COSTS	PURCHASE POWER AGREEMENT	TOTALS
	£	£	£
COST			
At 1 January 2017	25,739,620	279,975	26,019,595
Additions	4,228	-	4,228
At 1 January 2018	25,743,848	279,975	26,023,823
Disposals	(115,384)	-	(115,384)
Assets classified as held for sale	(4,077,330)	-	(4,077,330)
At 31 December 2018	21,551,134	279,975	21,831,109
AMORTISATION			
At 1 January 2017	9,942,196	174,852	10,117,048
Amortisation for year	1,318,865	13,999	1,332,864
At 1 January 2018	11,261,061	188,851	11,449,912
Amortisation for year	1,281,423	13,998	1,295,421
Amortisation on assets classified as held for sale	(1,752,307)	-	(1,752,307)
At 31 December 2018	10,790,177	202,849	10,993,026
NET BOOK VALUE			
At 31 December 2018	10,760,957	77,126	10,838,083
At 31 December 2017	14,482,787	91,124	14,573,911

16. TANGIBLE ASSETS

GROUP	LAND AND BUILDINGS £	PLANT AND MACHINERY £	FIXTURES AND FITTINGS £	TOTALS £
COST				
At 1 January 2017	325,000	82,909,814	15,805	83,250,619
Additions	-	230,857	-	230,857
At 1 January 2018	325,000	83,140,671	15,805	83,481,476
Additions	-	101,112	2,296	103,408
Transferred to assets held for sale	-	(17,381,956)	-	(17,381,956)
At 31 December 2018	325,000	65,859,827	18,101	66,202,928
DEPRECIATION				
At 1 January 2017	257,667	23,134,579	3,951	23,396,197
Charge for the year	15,500	4,200,163	3,951	4,219,614
At 1 January 2018	273,167	27,334,742	7,902	27,615,811
Charge for year	15,500	4,154,931	4,526	4,174,957
Transferred to assets held for sale	-	(7,104,703)	-	(7,104,703)
At 31 December 2018	288,667	24,384,970	12,428	24,686,065
NET BOOK VALUE				
At 31 December 2018	36,333	41,474,857	5,673	41,516,863
At 31 December 2017	51,833	55,805,929	7,903	55,865,665

COMPANY	PLANT AND MACHINERY	FIXTURES AND FITTINGS	TOTALS
	£	£	£
COST			
At 1 January 2017 and 2018	10,027	15,805	25,832
Additions	1,906	2,296	4,202
At 31 December 2018	11,933	18,101	30,034
DEPRECIATION			
At 1 January 2017	2,005	3,951	5,956
Charge for the year	2,006	3,951	5,957
At 1 January 2018	4,011	7,902	11,913
Charge for year	2,386	4,526	6,912
At 31 December 2018	6,397	12,428	18,825
NET BOOK VALUE			
At 31 December 2018	5,536	5,673	11,209
At 31 December 2017	6,016	7,903	13,919

17. INVESTMENTS – ASSOCIATES AND JOINT VENTURES

GROUP	INVESTMENT IN JOINT VENTURES	INVESTMENT IN ASSOCIATE	TOTALS
	£	£	£
CARRYING VALUE			
At 1 January 2017	1	2,079,284	2,079,285
Share of profit	91,197	208,161	299,358
At 1 January 2018	91,198	2,287,445	2,378,643
Share of (loss)/profit	(91,198)	267,442	176,244
Additions	1	-	1
At 31 December 2018	1	2,554,887	2,554,888
NET BOOK VALUE			
At 31 December 2018	1	2,554,887	2,554,888
At 31 December 2017	91,198	2,287,445	2,378,643

During the year the Company entered into a new joint venture Aura Power Energy Solutions Limited.

Results for the year ended 31 December 2018 - Fenpower Limited, Green Breeze Energy (Holdings) Limited and Aura Power Energy Solutions Limited.

FENPOWER LIMITED	2018 £	2017 £
Current assets	2,570,786	1,701,684
Non-current assets	5,757,413	6,201,400
Current liabilities	(897,998)	(884,749)
Non-current liabilities	(1,483,954)	(1,962,756)
Deferred tax	(795,292)	(767,872)
Net assets	5,150,955	4,287,707
Revenue	1,551,205	1,547,680
Profit or loss from continuing operations	863,247	833,048

There are no other items of comprehensive income.

GREEN BREEZE ENERGY (HOLDINGS) LIMITED	2018 £	2017 £
Current assets	2,232,267	2,156,014
Non-current assets	12,650,265	12,958,695
Current liabilities	(1,331,629)	(2,884,234)
Non-current liabilities	(14,124,102)	(12,166,703)
Deferred tax	(157,320)	(33,471)
Net (Liabilities)/Assets	(730,159)	30,301
Revenue	1,687,384	699,404
Profit or loss from continuing operations	(334,968)	34,721

There are no other items of comprehensive income.

AURA POWER SOLUTIONS LIMITED	2018 £
Current assets	17,047
Non-current assets	90,196
Current liabilities	(5,690)
Non-current liabilities	(106,589)
Deferred tax	-
Net (Liabilities)/Assets	(5,036)
Revenue	-
Profit or loss from continuing operations	(5,038)

There are no other items of comprehensive income.

The information above represents the consolidated amounts presented in the financial statements of the associate and joint venture (and not the group's share of these amounts), adjusted for differences in accounting policies between the group and the associate and joint venture.

There are no contingent liabilities relating to the group's interest in the associate and joint ventures.

COMPANY Investment in subsidiary undertakings and other investments at cost:	£
Carrying Value	
At 1 January 2017 and 2018	19,680,052
Additions	1
Transferred to assets held for sale	(2,335,796)
At 31 December 2018	17,344,257
Net Book Value	
At 31 December 2018	17,344,257
At 31 December 2017	19,680,052

Further information about associates and subsidiaries, including disclosures about non-controlling interests, is provided in note 36.

18. LOAN RECEIVABLES

GROUP	2018 £	2017 £
Loans to third party wind farm developers	2,633,953	2,564,389
Loans to joint venture company (to fund capital expenditure)	2,979,511	2,445,192
Loan to joint venture company (to fund acquisition)	32,493	32,493
Loan to joint venture company (to fund development)	101,918	-
Mezzanine loans provided to third parties	5,344,031	10,195,940
	11,091,906	15,238,014

COMPANY	2018 £	2017 £
Loans to third party wind farm developers	2,633,953	2,564,389
Loans to joint venture company (to fund capital expenditure)	2,979,511	2,445,192
Loan to joint venture company (to fund acquisition)	32,493	32,493
Loans to joint venture company (to fund development)	101,918	101,918
Mezzanine loans provided to third parties	3,402,071	8,718,383
	9,149,946	13,760,457

In November 2015, the Company agreed a £2.7m mezzanine finance facility with Renewable Energy Ventures (Gevens) Limited (REVG). REVG has successfully secured all the required rights and permits to build a 6.9MW wind farm in Fife, Scotland. Thrive Renewables has provided the capital to plug the funding gap. The project reached financial close in December of 2015, was constructed over summer 2016 and the operational phase commenced on 30 September 2016. Since operations commenced there as been an interest and capital repayment leaving a loan balance of £2,633,953 (2017:£2,564,389) including capitalised interest.

In July 2016, the Company entered into a joint venture with Green Power (Drumduff) Ltd to purchase Green Breeze Energy Limited (GBEL). GBEL has successfully secured all the required rights and permits to build a 6MW wind farm in Scotland. Thrive Renewables has purchased a 50% holding in the Company but has also provided capital in the form of loans to fund capital expenditure. The project reached financial close in January 2017 and became operational in July 2017. At the year end there is a loan balance including accrued interest of £3,012,004 (2017:£2,477,685).

Thrive Renewables Group makes mezzanine loans to companies to fund the acquisition of renewables energy projects. At the year end the balance of these loans is £5,344,031 including interest accrued (2017 - £10,145,940).

During the year, Thrive Renewables Plc entered into a joint venture agreement with Aura Power Storage Solutions Limited. A loan of £101,918 has been provided to the joint venture company Aura Power Energy Solutions Limited to fund business development work.

Further information about associates and subsidiaries, including disclosures about non-controlling interests, is provided in note 36.

19. DERIVATIVE FINANCIAL INSTRUMENTS

	2018 £	2017 £
Financial assets carried at fair value through profit or loss (FVTPL)		
Held for trading derivatives that are not designated in hedge accounting relationships	29,112	60,139
Financial liabilities carried at fair value through profit or loss (FVTPL)		
Held for trading derivatives that are not designated in hedge accounting relationships	(1,034,011)	(1,645,126)

Further details of derivative financial contracts are provided in note 29.

IFRS 9 replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The Company was required to revise its impairment methodology under IFRS 9 for each of the classes of financial assets, including loan receivables and trade debtors listed in notes 18 and 20 respectively. There has been no change to the measurement categories of financial instruments as a result of adopting IFRS 9, and no financial assets have been de-recognised in the period.

The impact of the change in impairment methodology on the Company's retained earnings and equity is deemed to be immaterial, and therefore prior year comparatives have not been adjusted/restated.

Assessment on Expected Credit Loss on financial assets:

The Company's financial assets are held in a business model whose purpose is to collect contractual cash flows and consist solely of principle and interest. Financial assets are initially measured at fair value and are subsequently measured at amortised cost.

The Company's financial assets listed above, are subject to consideration in respect of ECLs.

The Company keeps this position under regular review, using available reasonable and supportive forward looking information including:

- monitoring the continued timely collection of receivables,
- changes in counterparty credit ratings,
- any actual or expected changes in the industry or economic conditions that could cause a significant change to the borrower's ability to meet its obligations,
- actual or expected significant changes in the operating results of the borrower,
- updated financial forecasting models of the borrower including subsidiary companies, associates and joint ventures as well as third party borrowers,
- significant changes in the value or nature of collateral supporting the obligation, or the quality of any third party guarantees or credit enhancements.

Financial assets are written off when there is no reasonable expectation of recovery. The Company establishes a provision for doubtful debts if they are more than 120 days past due. The Company continues to engage in enforcement activity until it is determined that the debt is uncollectible, at which point the outstanding amount is written off in full.

Given the nature of the financial assets in place together with the factors assessed above applied to financial assets, the ECL and identified impairment loss applied to each is assessed to be immaterial.

20. TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	2018 £	2017 £	2018 £	2017 £
Current:				
Trade debtors	1,034,246	1,042,854	93,600	105,842
Group relief debtor	395,123	-	1,139,857	995,577
Amounts owed from group undertakings	-	-	17,584,730	-
Taxation and social security	-	-	22,497	44,194
Prepayments and accrued income	3,237,682	4,765,159	200,212	1,005,977
	4,667,051	5,808,013	19,040,896	2,151,590
Non current:				
Amounts owed by group undertakings	-	-	-	21,886,436

Trade Debtors
Trade debtors disclosed above are classified as loans and receivables and are therefore measured at amortised cost.

The average credit period taken on sales of goods is 30 days. No interest is charged on the debtors for the first 30 days from the date of the invoice. Thereafter, interest is charged at 4-8% on the outstanding balance, depending on the contractual terms. The group has not recognised an allowance for doubtful debts as no debts are past 120 days due and historical experience has been that debtors that are past due beyond 120 days are not recoverable. Allowances against doubtful debts are recognised against trade receivables between 30 days and 120 days based on estimated irrecoverable amounts determined by reference to past default experience of the counterparty and an analysis of the counterparty's current financial position.

The group have no trade debtors which are past due date at the reporting date and therefore the Group has not made any allowance for doubtful debtors. There has not been a significant change in credit quality and all amounts are still considered recoverable. The average age of these debtors is 20 days (2017: 20 days).

In determining the recoverability of a trade receivable the Group considers and change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date.

The Directors consider that the carrying amount of trade and other debtors is approximately equal to their fair value.

21. ASSETS AND LIABILITIES HELD FOR SALE

Group
The assets and liabilities related to Equitix Wern Ddu Limited (formerly Thrive Renewables Wern Ddu Limited) and Equitix Kessingland Limited (formerly Thrive Renewables Kessingland Limited) have been presented as held for sale, following the in principal approval of the Directors to sell the companies. The completion date for the sale was 13th February 2019. The approximate proceeds of the sale is £23.7m consisting of £20.3m consideration and £3.4m received for the settlement of shareholder loans and a profit of approximately £15.5m.

ASSETS OF DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE:	2018 £	2017 £
Other intangible assets	2,325,023	-
Tangible assets	10,277,253	-
Trade and other receivables	1,239,078	-
Cash and cash equivalents	2,702,406	-
	16,543,760	-

LIABILITIES OF DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE:	2018 £	2017 £
Borrowings	7,456,371	-
Trade and other payables	238,028	-
Group relief creditor	600,425	-
Deferred tax liabilities	1,043,600	-
Current tax liabilities	242,113	-
	9,580,537	-

COMPANY	2018 £	2017 £
Cost of investment	2,335,796	-
Amounts owed from group undertakings	2,840,689	-
	5,176,485	-

22. CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	2018 £	2017 £	2018 £	2017 £
Bank accounts	16,321,999	11,563,227	7,519,096	3,165,835

23. NON-CONTROLLING INTERESTS

	2018 £	2017 £
At 1 January	1,452,241	1,370,713
Minority share of profit/(loss) on ordinary activities after taxation	227,825	150,852
Minority share of dividends paid	(230,311)	(69,324)
At 31 December	1,449,755	1,452,241

24. CALLED UP SHARE CAPITAL

	2018 NO.	2018 £	2017 NO.	2017 £
Allotted, issued and fully paid				
Ordinary shares of £0.50 each	21,913,102	10,956,551	22,048,070	11,024,035

45,779 Ordinary shares of 0.50 each were allotted, issued and fully paid at a premium of 1.85 per share during the year.

This allotment is part of a SCRIP scheme whereby shareholders can receive new shares instead of cash dividends.

During the year the Company bought back 180,747 shares from eligible shareholders at an average premium of £1.71.

25. RESERVES

GROUP	RETAINED EARNINGS £	SHARE PREMIUM £	CAPITAL REDEMPTION RESERVE £	TOTALS £
At 1 January 2018	385,487	23,744,407	14,210	24,144,104
Profit for the year	2,802,340	-	-	2,802,340
Dividends	(881,923)			(881,923)
Purchase of own shares	(399,999)	-	90,373	(309,626)
Share issue	-	82,687	-	82,687
At 31 December 2018	1,905,905	23,827,094	104,583	25,837,582

COMPANY	RETAINED EARNINGS	SHARE PREMIUM	CAPITAL REDEMPTION RESERVE	TOTALS
	£	£	£	£
At 1 January 2018	6,384,385	23,744,407	14,210	30,143,002
Profit for the year	(177,029)	-	-	(177,029)
Dividends	(881,923)	-	-	(881,923)
Purchase of own shares	(399,999)	-	90,373	(309,626)
Share issue	-	82,687	-	82,687
At 31 December 2018	4,925,434	23,827,094	104,583	28,857,111

26. TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	2018	2017	2018	2017
	£	£	£	£
Current:				
Trade creditors	388,655	330,169	112,378	147,796
Amounts owed to group undertakings	-	-	5,929,859	6,857,547
Social security and other taxes	294,155	332,920	-	-
Other creditors	-	14,984	-	14,984
Dividends payable	6,976	6,998	6,976	6,998
Accruals and deferred income	2,579,854	2,385,434	668,542	657,684
	3,269,640	3,070,505	6,717,755	7,685,009

Pension contributions owing at the year-end amounted to £4,381 (2017: £3,464).

Trade creditors and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 30 days. For most suppliers no interest is charged on the trade creditors for the first 60 days from the date of the invoice. Thereafter, interest is charged on the outstanding balances at various interest rates. The Group has financial risk management policies in place to ensure that all creditors are paid within the pre-agreed credit terms. The Directors consider that the carrying amount of trade creditors approximates to their fair value.

27. BORROWINGS

GROUP	2018	2017
	£	£
Bank loans and overdrafts		
Amounts payable		
- due within one year	3,624,281	4,249,438
- due within one to two years	11,074,352	4,553,683
- due within two to five years	12,701,424	26,158,150
- due after five years	2,552,391	6,765,150
	29,952,448	41,726,421
Other loans		
Amounts payable		
- due within one year	-	7,000,000
- due within one to two years	-	-
- due within two to five years	10,000,000	3,000,000
- due after five years	9,962,191	9,962,191
Amortisation of issue costs	(262,440)	(322,681)
	19,699,751	19,639,510
Analysis of loan repayments		
Loans and overdrafts		
- due within one year	3,624,281	11,249,438
- due within one to two years	11,074,352	4,553,683
- due within two to five years	22,701,424	29,158,150
- due after five years	12,514,582	16,727,341
Amortisation of issue costs	(262,440)	(322,681)
	49,652,199	61,365,931

COMPANY	2018	2017
	£	£
Bank loans and overdrafts		
Amounts payable		
- due within one year	-	127,344
	-	127,344
Other loans		
Amounts payable		
- due within one year	-	2,000,000
- due within one to two years	-	-
- due within two to five years	2,000,000	-
- due after five years	9,962,191	9,962,192
Amortisation of issue costs	(226,569)	(272,461)
	11,735,622	11,689,731
Analysis of loan repayments		
Loans and overdrafts		
- due within one year	-	2,127,344
- due within one to two years	-	-
- due within two to five years	2,000,000	-
- due after five years	9,962,191	9,962,192
Amortisation of issue costs	(226,569)	(272,461)
	11,735,622	11,817,075

Group bank loan arrangement fees of £763,350 are amortised over seven years, being the term of the associated loan. As at 31 December 2018 there are bank fees of £332,180 (2017: £393,793) offset against Group bank loans.

At 31 December 2018, Group bank loans total £29,952,448 (2017: £41,726,421).

Amounts totalling £8,290,313 (2017:£18,744,937) held with Triodos bank bear interest at a weighted average fixed rate of 4.6% (2017 - 5.8%). Of this amount, £2,579,722 (2017:£6,765,150) is repayable after five years. This amount bears interest at a weighted average fixed rate of 5.48% (2017:5.69%).

Amounts totalling £21,662,136 (2017:£22,981,484) held with Santander Bank bear interest at a weighted average fixed rate of 6.17% (2017:6.17%), of this amount £NIL (2017:NIL) is due after 5 years. The fixed rate of interest is achieved by the purchase of financial instruments (interest rate swaps) which are now shown as a liability on the balance sheet of the Group. The liabilities recognised at the year-end on interest rate swaps amount to £1,034,011 (2017:£1,645,126). The recognition of this liability is in effect the advance charge of interest over the life of the swaps (seven-year terms) and would therefore reduce the interest charged in each year on these loans to between 2.85-3.25% (the bank interest rate) (2017:between 2.85-3.25%).

Bank loans are secured by first fixed and floating charges on the fixed assets of the subsidiary companies. The maximum term of any loan currently outstanding expires in 2028.

Other loans represent mezzanine loan finance which bears interest at a fixed rate of 6% (2017:7.5% variable). In addition, the Group raised 2 bonds during 2016 of £3m from Thrive Renewables (Buchan) Limited for 5 years at 5.5% interest and £7,722,191 in Thrive Renewables Plc for 7 years at 5% interest. A further amount of £2,240,000 at 5% interest was raised by the second close in March 2017.

The Group's gearing ratio (calculated as debt/debt plus net assets) is 60% (2017: 63%) including items held for sale.

28. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	NON-CANCELLABLE OPERATING LEASES	
GROUP	2018	2017
	£	£
Within one year	287,189	299,722
Between one and five years	1,100,802	1,116,418
In more than five years	3,431,054	3,688,330
	4,819,045	5,104,470

The amounts above represent the minimum future lease payments. There may be additional amounts payable based on revenue but these amounts are contingent on future performance.

The Company has no operating lease arrangements.

29. FINANCIAL INSTRUMENTS

Capital risk management

The group manages its capital to ensure that entities in the group will be able to continue as going concerns while maximising the return to shareholders through the optimisation of the debt and equity balance. The group's overall strategy remains unchanged from 2017.

The capital structure of the group consists of net debt (borrowings disclosed in note 27 after deducting cash and bank balances) and equity of the Group (comprising issued capital, reserves, retained earnings and non-controlling interests as disclosed in notes 24 to 25). The Group is not subject to any externally imposed capital requirements.

The Group's risk management committee reviews the capital structure on a semi-annual basis. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital. The Group has a target gearing ratio of 120% to 140% determined as the proportion of net debt to fixed equity. The gearing ratio at 31 December 2018 of 87% (2017 136%) was lower than the target range due to large cash balance held at year end from mezzanine loan repayments.

Net debt to equity ratio

The net debt to equity ratio at the year-end is as follows

	2018 £	2017 £
Debt	49,652,199	61,365,928
Cash and cash equivalents	(16,321,999)	(11,563,227)
Net debt	33,330,200	49,802,701
Equity	38,243,888	36,620,380
Net debt to equity ratio	87%	136%

Debt is defined as long and short-term borrowings (excluding debt on assets held for sale, derivatives and financial guarantee contracts) as detailed in note 27. Equity includes all capital and reserves of the group that are managed as capital.

Significant accounting policies
Details of the significant accounting policies and methods adopted (including the criteria for recognition, the basis of measurement and the bases for recognition of income and expenses) for each class of financial asset, financial liability and equity instrument are disclosed in note 3.

CATEGORIES OF FINANCIAL INSTRUMENTS	2018 £	2017 £
Financial assets:		
Cash and bank balances	16,321,999	11,563,227
Fair value through profit and loss (FVTPL) – Inflation swap	29,112	60,139
Amortised cost:		
Receivables	1,034,246	3,237,682
Accrued income	2,243,587	3,712,606
Loans	11,091,906	15,238,014
Financial liabilities:		
Fair value through profit and loss (FVTPL) – Interest rate swap	(1,034,011)	(1,645,126)
Amortised cost:		
Payables	(689,786)	(685,071)
Accruals	(2,579,854)	(2,385,434)
Borrowings	(49,652,199)	(61,365,928)

The amounts above exclude assets and liabilities held for sale.

Financial risk management objectives
The Group's Corporate Treasury function provides services to the business, co-ordinates access to

domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyses exposures by degree and magnitude of risks. These risks include market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk.

The Group seeks to minimise the effects of these risks by using derivative financial instruments to hedge these risk exposures. The use of financial derivatives is governed by the Group's policies approved by the board of Directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates (see below). The group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign currency risk, including:

- interest rate swaps to mitigate the risk of rising interest rates; and
- inflation swaps to mitigate the risk of rising inflation.

Market risk exposures are measured using value-at-risk (VaR) analysis supplemented by sensitivity analysis. There has been no change to the group's exposure to market risks or the manner in which these risks are managed and measured.

All financial instruments are classified as level 2 per the fair value hierarchy.

30. DEFERRED TAX

GROUP	2018	2017
	£	£
Balance at 1 January	5,830,826	5,691,786
(Charge)/credit to profit & loss account	(1,041)	139,040
Classified as held for sale (note 21)	(1,043,600)	-
Balance at 31 December	4,786,185	5,830,826

The amounts of deferred taxation provided in the financial statements are as follows:

GROUP	2018	2017
	£	£
Accelerated capital allowances	3,026,903	3,947,845
Tax losses carried forward	(264,957)	(287,991)
Deferred tax on derivatives	(170,834)	(269,448)
Short-term timing differences	(29,544)	(16,745)
Deferred tax on development costs	2,224,617	2,457,165
	4,786,185	5,830,826

Deferred tax assets and liabilities are offset where the Company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	2018	2017
	£	£
Deferred tax assets	119,507	104,098
Deferred tax liabilities	(4,905,692)	(5,934,924)
	(4,786,185)	(5,830,826)

The Company has a deferred tax asset of £25,150 (2017:£10,829).

31. CONTINGENT LIABILITIES

By an agreement dated 24 July 2006, the Company agreed to acquire the entire issued share capital of Hainsford Group Limited (now Thrive Renewables (HGL) Limited). Under the terms of this agreement, additional deferred consideration may become due and payable based on operating performance and prevailing market electricity pricing, calculated on an annual basis. Any additional consideration payable is calculated in accordance with agreement. For the period when the additional consideration is payable, the Company is under an obligation to conduct the business within certain parameters as set out in the agreement. Should the Company wish to act otherwise than in accordance with the agreed parameters, the Company may be obliged to make a buyout payment to the sellers as determined in accordance with the agreement. In 2018 the charge to profit and loss was £641,846 (2017:£442,945).

HSBC Bank has issued a performance bond in the sum of £48,000 in relation to certain undertakings given by the Group Company Thrive Renewables (Caton Moor) Limited in respect of planning obligations at its wind farm site. The maximum contingent liability of the Company is equal to the bond.

32. RELATED PARTY DISCLOSURES

During 2016 the Group raised new investment by way of bonds. The following is the Director's interest in those bonds as at 31 December 2017 and 2018.

	THRIVE RENEWABLES (BUCHAN)	THRIVE RENEWABLES PLC
Charles Middleton	-	£10,000
Simon Roberts	£3,000	£3,000
Peter Weston	£15,000	£15,240
Matthew Clayton	£3,000	-
Monika Paplaczyk	£400	-

The Company operates a community benefit scheme which is managed by the centre for Sustainable Energy (CSE). The Chief Executive of CSE is Simon Roberts a Director of the Company. During the year management fees of £4,400 were paid to CSE (2017 - £2,100) and no amounts were outstanding at the year end.

In 2018 the Company sought advice on the wind yield assessments of some of its subsidiaries. Everoze Partners limited was identified as a suitably qualified contractor and a research engagement was satisfactorily agreed and delivered at a cost of £18,000 (2017:£5,400) excluding VAT. Colin Morgan is a Founding Partner of Everoze Partners Limited.

33. POST BALANCE SHEET EVENTS NOTE

In February 2019 Thrive Renewables Plc sold 100% of the shares in Equitix Wern Ddu Limited (formerly Thrive Renewables Wern Ddu Limited) and Equitix Kessingland Limited (formerly Thrive Renewables Kessingland Limited (Wern Ddu) Limited and Thrive Renewables (Kessingland) Limited (See note 21).

34. RECONCILIATION OF PROFIT BEFORE INCOME TAX TO NET CASH GENERATED FROM OPERATIONS

	2018	2017
	£	£
Profit before income tax	3,934,430	2,665,725
Depreciation charges	5,470,378	5,552,478
Finance costs	3,424,584	3,770,851
Finance income	(1,237,348)	(1,190,508)
Fair value adjustment to derivatives	(580,088)	(551,158)
	11,011,956	10,247,388
Share of profit of associates	(176,245)	(299,358)
(Increase)/decrease in trade and other receivables	(416,587)	1,223,036
Increase/(decrease) in trade and other payables	437,165	(1,190,941)
Cash generated from operations	10,856,289	9,980,125

35. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

YEAR ENDED 31 DECEMBER 2018	31.12.18	1.1.18
	£	£
Cash and cash equivalents	16,321,999	11,563,227
Cash included as part of assets held for sale (note 21)	2,702,406	-
	19,024,405	11,563,227

YEAR ENDED 31 DECEMBER 2017	31.12.17	1.1.17
	£	£
Cash and cash equivalents	11,563,227	18,566,181

36. SUBSIDIARY UNDERTAKINGS

Details of the subsidiaries and other investments are as follows:

NAME OF COMPANY	CLASS	OWNED	COUNTRY OF INCORPORATION	PRINCIPAL ACTIVITY
Thrive Renewables (Caton Moor) Limited*	Ordinary	100%	England	Energy supply
Thrive Renewables (Ness Point) Limited*	Ordinary	100%	England	Energy supply
Thrive Renewables (Sigurd) Limited*	Ordinary	100%	England	Energy supply
Thrive Renewables (Severn) Limited*	Ordinary	100%	England	Energy supply
Thrive Renewables (Beochlich) Limited	Ordinary	100%	England	Energy supply
Thrive Renewables (Haverigg II) Limited	Ordinary	100%	England	Energy supply
Brunel Wind Limited	Ordinary	100%	England	Energy supply
Thrive Renewables (HGL) Limited	Ordinary	100%	England	Dormant
Thrive Renewables (HL) Limited*	Ordinary	100%	England	Dormant
Thrive Renewables (HEL) Limited*	Ordinary	100%	England	Dormant
Thrive Renewables (Wern Ddu) Limited	Ordinary	100%	England	Energy supply
Thrive Renewables (Kessingland) Limited	Ordinary	100%	England	Energy supply
Thrive Renewables (Buchan) Limited	Ordinary	100%	England	Holding company
Thrive Renewables (Dunfermline) Limited	Ordinary	100%	England	Energy supply
Thrive Renewables (Eye) Limited	Ordinary	100%	England	Energy supply
TR (Fenpower) Limited	Ordinary	50%	England	Holding company
Fenpower Limited*	Ordinary	25%	England	Energy supply
Thrive Renewables (Bristol) Limited	Ordinary	100%	England	Holding company
Thrive Renewables (Cambridge) Limited	Ordinary	100%	England	Holding company
Thrive Renewables (March) Limited*	Ordinary	100%	England	Energy supply
Thrive Renewables (Auchtygills) Limited*	Ordinary	100%	England	Energy supply
Thrive Renewables (Clayfords) Limited*	Ordinary	100%	England	Energy supply
Thrive Renewables (Boardinghouse) Limited	Ordinary	100%	England	Holding company
Boardinghouse Windfarm Limited*	Ordinary	75%	England	Energy supply
Green Breeze Energy (Holdings) Limited	Ordinary	50%	Scotland	Holding company
Green Breeze Energy Limited*	Ordinary	50%	Scotland	Energy company
Aura Power Energy Solutions Limited	Ordinary	50%	England	Energy company

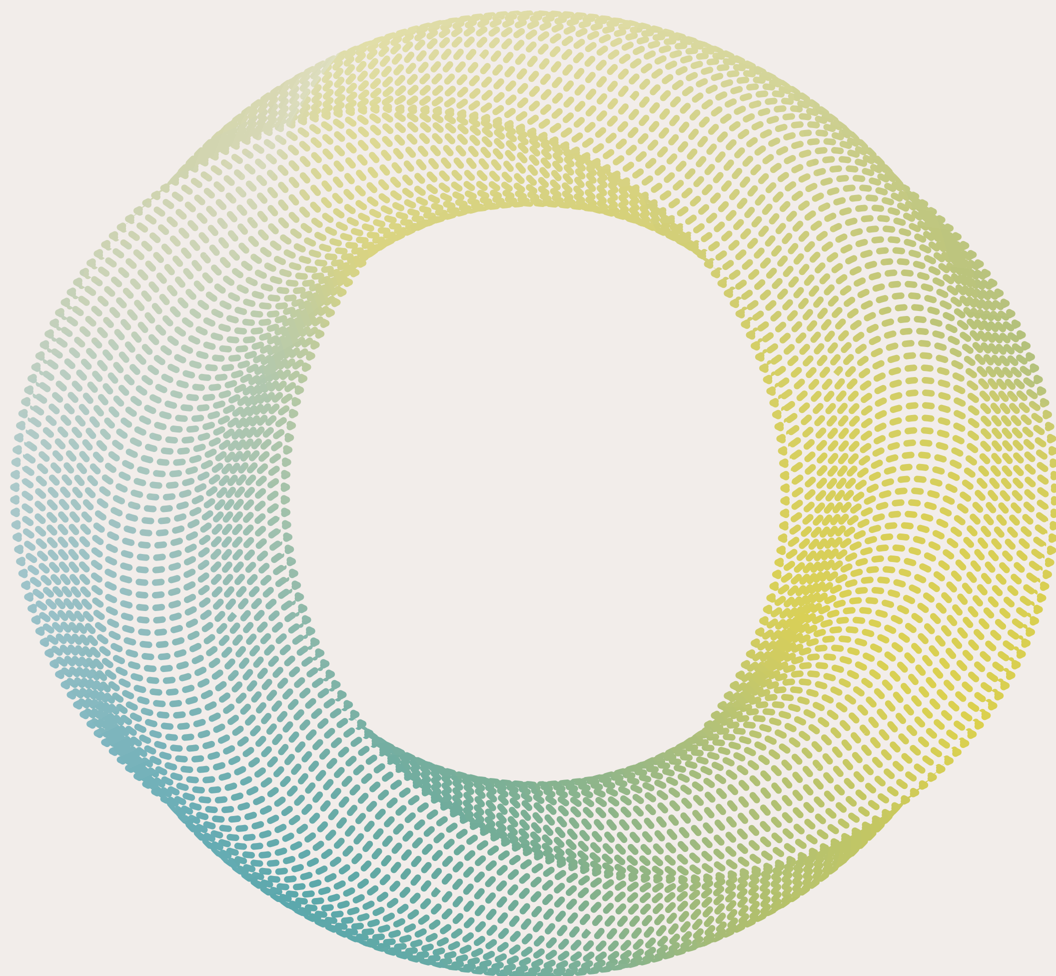
* ownership held indirectly

The registered office of all subsidiaries and associates is Deanery Road, Bristol, BS1 5AS apart from:-

Green Breeze Energy (Holdings) Limited and Green Breeze Energy Limited - E Centre, Cooperage Way, Alloa, Clackmannashire, Scotland, FK10 3LP.

Boardinghouse Windfarm - 14 High Cross, Truro, Cornwall, TR1 2AJ.

Fenpower Limited has 43 A shares, 127 B shares and 85 C shares all with £1 nominal value and all having equal voting and dividend rights. Thrive Renewables owns 100% of the B shares.



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