22 August 2018

Foresight Solar Fund Limited

('Foresight Solar', 'FSFL' or 'the Company')

Interim Results to 30 June 2018 and Dividend Announcement

Foresight Solar, a fund investing in a diversified portfolio of ground-based solar PV assets in the UK and internationally, is pleased to announce its Interim Results for the six months ended 30 June 2018.

Highlights

- NAV decreased to £473.1 million over the period (31 December 2017: £481.3 million), being 105.2 pence per share (31 December 2017: 107.0 pence). This reduction was primarily driven by a continued softening of UK power price forecasts.
- During the period under review, the Company has declared dividends per share of 3.28 pence. The Company remains on track to deliver its targeted full year dividend of 6.58 pence for FY2018 (FY2017: 6.32 pence)*.
- Electricity production at portfolio level has been above base case assumptions driven by strong irradiation levels in the UK in the second quarter of 2018. The portfolio generated 260GWh of clean energy, sufficient to power 84,000 homes for a year.
- The Company acquired a 53MW portfolio of five operational assets in the UK, continuing the value accretive expansion of the portfolio.
- In March 2018, Longreach became the first of the Company's Australian assets to successfully connect to the grid.
- Post period, in July 2018, the Company completed a significantly oversubscribed placing, raising £48.1 million of new capital with the net proceeds of the placing used to fund the purchase of a 114MW portfolio of 15 operational assets located in the UK. The transaction completed on 3 August 2018.
- Following this acquisition, the Company is now the largest UK-listed, dedicated solar energy investment company by installed capacity.
- The Investment Manager continues to pursue a focused asset acquisition strategy, with the aim of delivering NAV accretive investment opportunities and currently has exclusivity over a 72MW UK operational portfolio.

* Target returns are not a profit forecast. There can be no assurance that target returns will be met and it should not be seen as an indication of the Company's expected or actual results or returns.

The Company is also pleased to announce that the second Quarterly dividend of 1.64 pence per share was approved by the Directors and will be paid on 23 November 2018.

Dividend Timetable	**Date**
Ex-dividend Date	8 November 2018
Record Date	9 November 2018
Payment Date	23 November 2018

Key Metrics

	As at 30 June 2018
Gross Asset Value ("GAV")*	£749.0 million
Net Asset Value ("NAV")	£473.1 million
NAV per Share	105.2 pence
Profit after Tax for the Year	£6.0 million
Total Dividend per Share for the period	3.28 pence
Market Capitalisation	£489.5 million
Share Price	108.8 pence
Annual Total NAV Return since IPO**	6.89%
Annual Total Shareholder Return since IPO**	7.03%

* UK investments valued using an unlevered discount rate of 7.00% or a levered discount rate of 7.75%. Australian operational assets use a levered discount rate of 8.5%. Assets under construction are valued at cost.
** Annualised from IPO on 29 October 2013.

Commenting on the Company's Interim results, Alex Ohlsson, Chairman of Foresight Solar Fund Limited said:

"The first half of 2018 has been a period of progress, marked by significant expansion in our UK portfolio, the first of our Australian assets connecting to the grid on schedule and the launch of an equity placing to support further UK asset acquisitions. We are pleased that we remain on track to deliver our targeted full year dividend of 6.58p.

"Following the period, the equity placing closed and was significantly oversubscribed. Proceeds from the placing funded our acquisition of 15 UK solar assets, which saw us become the largest UK-listed dedicated solar energy investment company by installed capacity. We remain confident that, with the positive operational performance of our assets, our continued ability to deliver NAV-accretive investment opportunities and the global trend towards a higher penetration of renewable generation, we are well-positioned to deliver further growth."

Results presentation

Foresight Solar Fund Ltd is holding a presentation to analysts at 09:00 today at Foresight Solar Fund Limited, The Shard, 32 London Bridge Street, London, SE1 9SG. Analysts wishing to attend should contact foresightsolar@citigatedewerogerson.com to register.

Analysts unable to attend in person may listen to the presentation live by using the details below:

Conference Call Dial-In Details: 0808 109 0700

Standard International Access: +44 (0) 20 3003 2666

Password: Foresight Solar

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Notes to Editors

About Foresight Solar Fund Limited

Foresight Solar is a Jersey registered, closed-end investment company investing in a diversified portfolio of ground-based solar PV assets in the UK and Australia.

Since its IPO in October 2013, FSFL has more than tripled in size and raised more than £510 million through share placings. The Company targets an index-linked annualised dividend inflated by RPI and has paid all target dividends to date. The target dividend for 2018 is 6.58 pence per share.

FSFL is managed by Foresight Group, a leading independent Global Infrastructure & Private Equity manager, which provides FSFL with depth of experience in fund management, deal origination and execution. The Company has a fully independent Board of Directors and is chaired by Alex Ohlsson. The lead Investment Manager for the Company is Ricardo Piñeiro, Head of UK Solar at Foresight Group.

LEI: 213800VO4O83JVSSOX33

Chairman's Statement

On behalf of the Board, I am pleased to present the Unaudited Interim Report and Financial Statements for Foresight Solar Fund Limited (the "Company") for the six months ended 30 June 2018.

This was a period of real progress for the Company, marked by further expansion of our UK portfolio, the connection to the grid of the Company's first Australian asset, Longreach, and the successful launch and post period completion of an equity placing to support further UK acquisitions.

In what has undeniably become a more competitive and price sensitive market, the Company has managed to source and acquire a number of attractive investment opportunities in the UK. During the period, we acquired a portfolio of five operational solar parks with a total installed capacity of 53.3MW. Post-period end, we also secured a portfolio of 15 assets totalling 114MW. Following this acquisition, the Company is now the largest dedicated solar PV listed investment company in the UK by installed capacity.

I am pleased with the pace of deployment and the Investment Manager's ability to diversify the portfolio and develop efficiencies of scale through a disciplined asset acquisition strategy.

The Board remains confident in the operational performance of our assets, the Investment Manager's ability to deliver NAV accretive investment opportunities and the global movement towards a higher penetration of renewable generation, all of which should support the Company's continued growth.

KEY FINANCIALS

During the period, the NAV per Ordinary Share decreased by 1.8 pence to 105.2 pence (31 December 2017: 107.0 pence). The reduction was primarily driven by a decrease in UK power price forecasts during the period.

DIVIDEND AND DIVIDEND GROWTH

The Company has continued to achieve its dividend objectives and has paid all target dividends since its IPO in October 2013. Dividends over that period totalled 24.6 pence per share.

During the period we approved the first two quarterly dividends of 1.64 pence each and the Company remains on track to deliver its targeted full year dividend of 6.58 pence per share. The Company is due to pay the first quarterly dividend for the current year of 1.64 pence on 24 August 2018.

The Board expects to maintain its stable and RPI inflation-linked dividend based on the financial performance of the current portfolio and existing market conditions. We continue to actively review the dividend policy to reflect the expected evolution of the Investment Portfolio and the ongoing relationship between power prices and inflation levels.

OVERSUBSCRIBED POST-PERIOD SHARE PLACING

On 4 July 2018, the Company closed a significantly oversubscribed share placing raising £48.1 million through the issuance of 44,995,209 new Shares. The issuance was undertaken under the Company's existing general authority to dis-apply pre-emption rights as approved by shareholders at the Annual General Meeting on 11 June 2018. The proceeds of the placing were used to fund the purchase of 15 solar assets in the UK, totalling 114MW, as noted above. In our opinion the over-subscription is indicative of the continued support and interest from existing and new shareholders in the Company's offering and track record in delivering targeted returns.

FINANCING

At 30 June 2018, the total outstanding debt for the Company and its subsidiaries amounted to £306.0 million (31 December 2017: £200.3 million), with long term gearing representing £201.0 million (December 2017: £152.4 million). The total gearing level increased to 41% of GAV (December 2017: 29%) as a result of the acquisitions completed in the period and the use of the Australian assets debt facilities. Long term gearing represented 27% (2017: 22%), remaining within the debt target level set by the Board.

The Investment Manager will continue to identify opportunities to optimise the Company's capital structure to enhance returns for investors.

OPERATIONAL PERFORMANCE

The second half of the period saw strong irradiation levels in the UK and production levels above base case assumptions. Portfolio performance continued to improve during the first half of the year with only two relevant isolated events causing production variance to fall behind irradiation variance. Those incidents will be compensated for through insurance or contractual liquidated damages and are explained in more detail in the Asset Management section.

PORTFOLIO DEVELOPMENT

During the period the Company reviewed more than 1.4GW of potential investments in the UK and internationally. The Company maintained its pricing discipline and acquired a 53.3MW operational portfolio of five ROC or FiT accredited assets for £36.6 million. The purchase of these assets is testament to the Investment Manager's continued ability to source value accretive opportunities which are in line with our objective of creating a diversified, sustainable portfolio through a focused approach to new acquisitions.

During the period, we secured exclusivity over a 134MW operational portfolio of ROC accredited assets located in the UK. We completed the acquisition of 15 of the 18 assets on 3 August 2018 for an equity consideration of £47 million. The remaining three assets remain under exclusivity and will be subject to further acquisition due diligence.

SOLAR MARKET DEVELOPMENTS

Global support for renewable energy generation continues to gain significant traction and the industry has matured to cater for this demand. In the UK, renewable generation represented approximately 9.3% of total energy generation in 2016, below the 2020 renewable energy target of 15%. The UK government has recently agreed to increase the 2030 renewable energy target from 27% to 32%, creating a clear opportunity for additional growth of the UK solar market in the medium to long-term.

In April 2017, the closure of the ROC Scheme prompted a shift in the UK market to an increased focus on secondary market acquisitions, subsidy-free solar and the integration of energy storage. The latter both remain in their infancy and the economic viability of these opportunities is yet to be proven. The Investment Manager continues to monitor the progress of these market developments but remains confident that these trends will provide future growth opportunities for the Company given industry support for these initiatives.

In July 2018 Ofgem issued a consultation which proposes a Significant Code Review ("SCR") to address inefficiencies in network access and forward-looking network charging arrangements. If launched, this would run in parallel with the current SCR in progress and the Targeted Charging Review ("TCR") launched in August 2017, which encompasses a review of residual network charging arrangements. The impact of these review processes on charging arrangements for embedded generation has the potential to materially affect the embedded benefits received by the portfolio. Embedded benefits revenue represents less than 2% of lifetime revenues for the portfolio.

In line with global trends, the Australian market has seen a significant increase in both actual and forecasted renewable energy generation. The country is expected to meet its 2030 target for a 26% reduction in carbon emissions ahead of schedule considering the increasing levels of new renewable generation capacity. In contrast to the developed renewables industry in the UK, the Australian renewables sector is in its early stages of development with a number of regulatory initiatives that are expected to support the deployment of renewables under discussion, most notably the Federal Government's National Energy Guarantee ("NEG") framework. The NEG framework focuses on reducing consumers' electricity prices and bringing reliability and emissions reductions to the country's National Electricity Market. The Investment Manager is actively monitoring this development as the NEG policy details and implementation timetable are yet to be confirmed.

PIPELINE AND OUTLOOK

The Investment Manager continues to source a number of value accretive opportunities as evidenced by the recent addition of 114MW of operational assets to the Fund's portfolio. The Company is currently actively reviewing a short-term pipeline of more than 300MW of potential investments in the UK and Western Europe, including a 72MW portfolio of 10 operational, ROC accredited assets located in the UK. The Company has secured exclusivity over this portfolio, which is currently owned by funds managed by Foresight Group LLP.

The Investment Manager will continue to focus on identifying operational assets available in the UK secondary market, as well as continuing to explore investment opportunities in international markets. Investment opportunities outside the UK are expected to deliver attractive returns on a risk-adjusted basis while further diversifying our portfolio, in line with its investment policy.

Alexander Ohlsson

Chairman
22 August 2018

Corporate Summary and Investment Objective

CORPORATE SUMMARY

The Company is a closed-ended company with an indefinite life and was incorporated in Jersey under the Companies (Jersey) Law 1991, as amended, on 13 August 2013, with registration number 113721.

As at 30 June 2018, the Company has 449,952,091 ordinary shares in issue which are listed on the premium segment of the Official List and traded on the London Stock Exchange's Main Market.

The Company makes its investments through intermediate holding companies and underlying Project Vehicles/Special Purpose Vehicles ("SPVs").

INVESTMENT OBJECTIVE

The Company's objective is to provide investors with a sustainable, inflation-linked quarterly dividend and enhanced capital value, through investment in ground-based solar assets predominately located in the UK.

THE COMPANY

The Company's Initial Public Offering on 24 October 2013 raised £150 million, creating the largest dedicated solar investment company listed in the UK at the time. To date, the Company has raised a total of £511 million through equity issuance.

During the period, the Company announced a placing of 44,995,209 new shares to raise up to £48.1 million. The placing was significantly oversubscribed with the Company issuing the maximum number of shares. Following the issuance of the new shares on 6 July 2018, the Company has 494,947,300 shares in issuance representing a market capitalisation of £537.0 million.

As at 30 June 2018, the Company's portfolio consisted of 28 assets with a net installed capacity of 674MW, including four Australian assets (representing 146MW), three of which are currently under construction. During the period, Longreach became the first of the Australian assets to begin exporting electricity to the grid.

INVESTMENT POLICY

The Company will pursue its investment objective by acquiring ground-based, operational solar power plants predominantly located in the UK. Investments outside the UK and assets which are still, when acquired, under construction will be limited to 25 percent of the GAV of the Company and subsidiaries, calculated at the time of investment.

The Company will seek to acquire majority or minority stakes in individual ground-based solar assets. When investing in a stake of less than 100 per cent in a solar power plant SPV, the Company will secure its shareholder rights through shareholders' agreements and other legal transaction documents.

Power purchase agreements ("PPAs") will be entered into between each of the individual solar power plant SPVs in the portfolio and creditworthy offtakers. Under the PPAs, the SPVs will sell solar generated electricity and green benefits to the designated offtaker. The Company may retain exposure to power prices through PPAs that do not include mechanisms such as fixed prices or price floors.

Investment may be made in equity or debt or intermediate instruments but not in any instruments traded on any investment exchange.

The Company is permitted to invest cash held for working capital purposes and awaiting investment in cash deposits, gilts and money market funds.

In order to spread risk and diversify its portfolio, at the time of investment no single asset shall exceed in value (or, if it is an additional stake in an existing investment, the combined value of both the existing stake and the additional stake acquired) 30 per cent of the Company's GAV post-acquisition. The GAV of the Company will be calculated based on the last published gross investment valuation of the Company's portfolio, including cash, plus acquisitions made since the date of such valuation at their cost of acquisition. The Company's portfolio will provide diversified exposure through the inclusion of not less than five individual solar power plants and the Company will also seek to diversify risk by ensuring that a significant proportion of its expected income stream is derived from regulatory support (which will consist of, for example, without limitation, ROCs and FiTs for UK assets). Diversification will also be achieved by the Company using a number of different third-party providers such as developers, EPC contractors, O&M contractors, panel manufacturers, landlords and distribution network operators.

The Articles provide that gearing, calculated as Group Borrowing (including any asset level gearing) as a percentage of the Company's GAV, will not exceed 50 percent at the time of drawdown. It is the Board's current intention that long-term gearing (including long-term, asset level gearing), calculated as Group borrowings (excluding intra-group borrowings (i.e. borrowings between members of the Group) and revolving credit facilities) as a percentage of the Company's GAV will not exceed 40 per cent at the time of drawdown.

Any material change to the investment policy will require the prior approval of shareholders by way of an ordinary resolution (for so long as the Ordinary Shares are listed on the Official List) in accordance with the Listing Rules.

SIGNIFICANT SHAREHOLDERS

The Company's shareholders include a substantial number of blue-chip institutional investors.

Shareholders in the Company with more than a 5% holding as at 30 June 2018 are as follows:

Investor	% Shareholding in Fund
Blackrock Investment Management Ltd	14.4%
Newton Investment Management Ltd	9.0%
Legal & General Investment Management Ltd	7.3%
Schroders Plc	7.0%
Standard Life Aberdeen	5.8%
Rathbones	5.5%
Baillie Gifford & Co Ltd (SC)	5.4%
Total	**54.4%**

ALTERNATIVE INVESTMENT FUND MANAGEMENT DIRECTIVE ("AIFMD")

The AIFMD, which was implemented across the EU on 22 July 2013 with the transition period ending on 22 July 2014, aims to harmonise the regulation of Alternative Investment Fund Managers ("AIFMs") and imposes obligations on managers who manage or distribute Alternative Investment Funds ("AIFs") in the EU or who market shares in such funds to EU investors. Under the AIFMD, the Company is self-managed and acts as its own Alternative Investment Fund Manager.

Both the Company and the Investment Manager are located outside the European Economic Area ("EEA") but the Company's marketing activities in the UK are subject to regulation under the AIFMD.

PACKAGED RETAIL AND INSURANCE-BASED INVESTMENT PRODUCTS REGULATION

A new EU regulation, the Packaged Retail and Insurance-based Investment Products Regulation ("PRIIPS"), came into effect on 1 January 2018. Its aim is to ensure retail investors are provided with transparent and consistent information across different types of financial products. This new regulation requires the Company to publish a Key Information Document ("KID"). The KID is available on the Company's website under Publications and can be found at the following website address: http://fsfl.foresightgroup.eu/investor-relations/publications/kid/.

Board of Directors

The Directors, who are Non-Executive and independent of the Investment Manager, are responsible for the determination of the investment policy of the Company, have overall responsibility for the Company including its investment activities and for reviewing the performance of the Company's portfolio. The Directors are as follows:

ALEX OHLSSON (CHAIRMAN)
Mr Ohlsson is Managing Partner of the law firm Carey Olsen in Jersey. He is recognised as a leading expert in corporate and finance law in Jersey and is regularly instructed by leading global law firms and financial institutions. He sits on the boards of a number of companies and is also chairman of the listed company GCP Asset Backed Income Fund Limited. He is an Advisory Board member of Jersey Finance, Jersey's promotional body and Treasurer of the Jersey Law Society. He has recently retired as the independent chairman of the States of Jersey's Audit Committee. He was educated at Victoria College, Jersey and at Queens' College, Cambridge, where he obtained an MA (Hons) in Law. He has also been an Advocate of the Royal Court of Jersey since 1995.

Mr Ohlsson was appointed as a Non-Executive Director and Chairman on 16 August 2013 and was reappointed on 11 June 2018.

CHRIS AMBLER
Mr Ambler has been the Chief Executive of Jersey Electricity Plc since 1 October 2008. He has experience in a number of senior positions in the global industrial, energy and materials sectors working for major corporations including ICI/Zeneca, The BOC Group and Centrica/British Gas, as well as in strategic consulting roles. He is a Director on other boards including a Non-Executive Director of Apax Global Alpha Limited, a listed fund which launched on the London Stock Exchange on 15 June 2015. Mr Ambler is a Chartered Director, a Chartered Engineer and a Member of the Institution of Mechanical Engineers. He holds a First Class Honours Degree from Queens' College, Cambridge and an MBA from INSEAD.

Mr Ambler was appointed as a Non-Executive Director on 16 August 2013 and was reappointed on 11 June 2018.

PETER DICKS
Mr Dicks is currently a Director of a number of quoted and unquoted companies. In addition, he was the Chairman of Foresight VCT plc and Foresight 2 VCT plc from their launch in 1997 and 2004 respectively until 2010 and served on the Board of Foresight VCT plc until May 2018. He is also on the Board of Mercia Fund 1 General Partnership Limited and Miton UK Microcap Trust plc and Chairman of Unicorn AIM VCT plc and SVM Emerging Fund.

Mr Dicks was appointed as a Non-Executive Director on 16 August 2013 and was reappointed on 11 June 2018.

Investment Manager

The Company's Investment Manager, Foresight Group CI Limited ("Foresight Group"), is responsible for the development and management of the Company's assets, including the sourcing and structuring of new acquisitions and advising on the Company's borrowing strategy. The Investment Manager is a Guernsey registered company, incorporated under the Guernsey Law with registered number 51471. The Investment Manager is licensed and regulated by the Guernsey Financial Services Commission.

Founded in 1984, Foresight Group is a leading independent infrastructure and private equity investment manager that currently manages over £2.5 billion of assets on behalf of institutions and retail clients. Foresight Group's infrastructure team manages £2.2 billion of the £2.5 billion under management, invested in energy infrastructure assets representing 1.6GW of capacity. The solar investment team was established in 2007 and today it manages assets representing £1.3 billion, invested in 80 solar power plants across the UK, Europe and Australia with a total generating capacity of 1.1GW (788MW of which is managed by the Company). In Australia, following the recent acquisitions made on behalf of the Company, Foresight Group is now a significant investor in the Australian market with 252MW under management. Other solar assets include an 21MW portfolio of unsubsidised solar assets in Portugal and Spain, including one of the first corporate PPAs in that market.

The solar investment team, which includes 25 investment professionals, forms part of Foresight Group's 39 strong dedicated multinational energy infrastructure investment team. In the UK, the wider infrastructure team also manages 463MW of investments in bioenergy projects, onshore wind, lithium ion battery storage facilities and reserve power generation assets.

The Company's Investment Management team is led by three experienced UK-based managers and supported by a further team of solar investment managers located in the UK and internationally. The Investment Management team based in Australia has grown to six people comprising three investment professionals, one technical professional and two support staff. This team has been instrumental in the management of the Company's four Australian assets.

Foresight Group is overseen by an Executive Committee of which Gary Fraser is a member. Foresight Group's Executive Committee provides strategic investment advice to the management team and the Board.

During the period, Jamie Richards retired from Foresight Group, the Investment Manager. The Board and Foresight Group would like to thank Jamie, who was heavily involved in the original launch of the Fund and for his contribution during that period. Matt Hammond replaced Jamie on the Company's Investment Management team. Matt is a Director at Foresight Group and has over 20 years' experience in the infrastructure and renewable energy sector.

RICARDO PINEIRO, PARTNER, HEAD OF UK SOLAR
Ricardo has led Foresight Group's UK solar investments since 2011 and has been part of the Fund's management team since IPO. He has overseen more than 60 acquisitions representing over 800 MW and remains primarily focused on leading new renewable energy transactions across UK and international markets. Prior to joining Foresight, Ricardo worked at Espirito Santo Investment where he focused on lending and advisory for the energy infrastructure and transportation sectors.

GARY FRASER, PARTNER, CHIEF FINANCIAL OFFICER
Gary is a Chartered Accountant and Chartered Fellow of the Securities Institute. He worked with Ernst & Young between 1993 and 1999, predominantly in the audit and risk assurance and corporate

finance areas and joined ISIS Asset Management plc in 1999 where he was responsible for the provision of similar services to several investment companies. He joined Foresight Group in 2004 and is an Executive Committee member.

MATT HAMMOND, DIRECTOR
Matt has worked as a Director at Foresight since 2015. Prior to joining Foresight Matt was a Director at Macquarie where he focused on infrastructure and renewable energy advisory, investing and lending. He has also worked at Henderson, BT Alex Brown and the WHEB Group where he raised and invested two renewable energy funds investing across Europe.

Asset Manager

The Company's underlying investment vehicles have appointed Foresight Group LLP, a subsidiary of Foresight Group CI, to act as Asset Manager. The Asset Manager is responsible for all operations, including the commercial, financial and technical management of assets under construction acquired by the Company. Foresight Group LLP is authorised and regulated by the Financial Conduct Authority.

Since 2011, Foresight Group has developed a leading Asset Management capability with expertise across electrical and civil engineering, finance and legal disciplines. The team manages over 140 energy infrastructure projects including solar, battery storage, reserve power, bio-energy and onshore wind investments, with 1.6GW of renewable energy capacity.

TOM MOORE, DIRECTOR
Tom has responsibility for the financial and operational performance of Foresight Group's energy infrastructure assets. Tom joined Foresight Group in 2013, having previously worked as Financial Controller at a hedge fund with oversight of internal finance, operations and compliance. He also performed advisory work for M&A transactions and corporate restructurings. Before this he spent four years in practice with Saffery Champness. Tom is a Chartered Accountant and holds a BSc in Economics from The University of York.

ARNOUD KLAREN, TECHNICAL DIRECTOR
Arnoud joined Foresight Group in 2011 and is responsible for the technical aspects of Foresight Group's solar portfolio. Arnoud previously worked at SolFocus as a Project Manager where he focused on the deployment of concentrated photovoltaic plants in Southern Europe and the Middle-East. Prior to this, Arnoud founded ThinkSpectrally, a spin-off company of The University of Valencia in Spain, dedicated to quality assurance in the PV manufacturing process. Arnoud holds a MSc degree in Electrical Engineering from the Twente University of Technology in The Netherlands.

JULIAN ELSWORTH, SENIOR PORTFOLIO MANAGER
Julian joined Foresight Group in 2013 and has over 14 years of experience in the renewable energy industry. Julian is responsible for the management of the technical and commercial aspects of the UK solar portfolio. Prior to joining Foresight Group, Julian worked as a Senior Consultant for a large engineering consultancy where he focused on a variety of renewable energy projects globally. Julian is a Chartered Engineer and holds an MSc in Renewable Energy and the Environment from Reading University.

TULLY ROBERTSON, TECHNICAL PORTFOLIO MANAGER

Tully joined Foresight Group in 2018 and is based in Sydney. He is an electrical engineer with 13 years' experience in project/contract management, design and commissioning of various high voltage infrastructure projects throughout Australia. Tully has also performed design reviews and written EPC specifications for utility scale wind and solar farm projects in Australia. Tully is a Chartered Professional Engineer (CPEng), Registered Professional Engineer of Queensland (RPEQ) and Member of the Institution of Engineers Australia (MIEAust).

Portfolio Assets

CURRENT PORTFOLIO

Asset	Country	Status	Installed Peak Capacity (MW)	Ownership	Net MW	Connection Date	Acquisition Cost[1]	Current[2] Fair Value
Wymeswold[3]	UK	Operational and accredited	34	100%	34	March 2013	45	48.0
Castle Eaton	UK	Operational and accredited	18	100%	18	March 2014	22.6	20.5
Highfields	UK	Operational and accredited	12	100%	12	March 2014	15.4	13.3
High Penn	UK	Operational and accredited	10	100%	10	March 2014	12.7	10.2
Pitworthy	UK	Operational and accredited	16	100%	16	March 2014	19.3	16.3
Hunters Race	UK	Operational and accredited	10	100%	10	July 2014	13.3	13.5
Spriggs Farm	UK	Operational and accredited	12	100%	12	March 2014	14.6	13.7
Bournemouth	UK	Operational and accredited	37	100%	37	September 2014	47.9	49.8
Landmead	UK	Operational and accredited	46	100%	46	December 2014	52.4	47.7
Kencot	UK	Operational and accredited	37	100%	37	September 2014	49.5	44.5
Copley	UK	Operational and accredited	30	100%	30	December 2015	32.7	36.6
Atherstone	UK	Operational and accredited	15	100%	15	March 2015	16.2	15.3
Paddock Wood	UK	Operational and accredited	9	100%	9	March 2015	10.7	10.9
Southam	UK	Operational and accredited	10	100%	10	March 2015	11.1	11.0
Port Farm	UK	Operational and accredited	35	100%	35	March 2015	44.5	43.6
Membury	UK	Operational and accredited	16	100%	16	March 2015	22.2	20.4
Shotwick	UK	Operational and accredited	72	100%	72	March 2016	75.5	84.2
Sandridge	UK	Operational and accredited	50	100%	50	March 2016	57.3	57.6
Wally Corner	UK	Operational and accredited	5	100%	5	March 2016	5.7	5.7
Coombeshead	UK	Operational and accredited	10	100%	10	February 2015	7.2	7.1
Park Farm	UK	Operational and accredited	13	100%	13	March 2015	8.2	8.1
Sawmill	UK	Operational and accredited	7	100%	7	March 2015	4.5	4.5
Verwood	UK	Operational and accredited	21	100%	21	February 2015	14.1	14.0
Yardwell	UK	Operational and accredited	3	100%	3	June 2015	2.5	2.6
UK Subtotal			**528**		**528**		605.1	599.2
Bannerton	Australia	Construction	110	48.5%	53	August 2018[4]	22.9	22.9[5]
Longreach	Australia	Operational	17	49%	8	March 2018	2.7	3.0
Oakey 1	Australia	Construction	30	49%	15	September 2018[4]	4.4	4.4[5]
Oakey 2	Australia	Construction	70	100%	70	October 2018[4]	25.6	25.6[5]
Australia Subtotal			**227**		**146**		55.5	55.9
Total			**755**		**674**		**660.6**	**655.1**

1 Original cost at time of acquisition, including transaction costs.
2 UK investments valued using an unlevered discount rate of 7.00% or a levered discount rate of 7.75%. Australian operational assets use a levered discount rate of 8.5%.

3 Includes the 2MW extension acquired in March 2015.
4 Expected connection dates.
5 Held at cost incurred to date. This does not represent expected final cost and assumes AUD/GBP exchange rate of 0.56 as at 30 June 2018.

PORTFOLIO ACQUIRED POST PERIOD END

Asset	Country	Status	Installed Peak Capacity (MW)	Ownership	Net MW	Connection Date	Acquisition Cost[1]
Abergelli	UK	Operational and accredited	8	100%	8	March 2015	3.7
Crow Trees	UK	Operational and accredited	5	100%	5	February 2016	1.8
Cuckoo Grove	UK	Operational and accredited	6	100%	6	March 2015	2.5
Field House	UK	Operational and accredited	6	100%	6	March 2015	3.1
Fields Farm	UK	Operational and accredited	5	100%	5	March 2016	1.7
Gedling	UK	Operational and accredited	6	100%	6	March 2015	1.9
Homeland	UK	Operational and accredited	13	100%	13	March 2014	5.2
Marsh Farm	UK	Operational and accredited	9	100%	9	March 2015	4.0
Sheepbridge	UK	Operational and accredited	5	100%	5	December 2015	1.9
Steventon	UK	Operational and accredited	10	100%	10	June 2014	4.2
Tengore Lane	UK	Operational and accredited	4	100%	4	February 2015	1.3
Trehawke	UK	Operational and accredited	11	100%	11	March 2014	4.7
Upper Huntingford	UK	Operational and accredited	8	100%	8	October 2015	3.1
Welbeck	UK	Operational and accredited	11	100%	11	July 2014	4.3
Yarburgh	UK	Operational and accredited	8	100%	8	November 2015	3.4
Total			**114**		**114**		46.8
Total including post period end assets			**869**		**788**		**707.4**

1 Original cost at time of acquisition, including transaction costs

Investment Manager's Report

For the period ended 30 June 2018

KEY INVESTMENT METRICS

	As at 30 June 2018	As at 31 December 2017	As at 30 June 2017
Market Capitalisation	£489.5 million	£486.0 million	£465.0 million
Share Price	108.8 pence	108.0 pence	112.38 pence
Dividend Declared per Share for the period	3.28 pence	6.32 pence	1.58pence
GAV	£749.0 million	£680.8 million	£625.3 million
Net Asset Value	£473.1 million	£481.3 million	£432.8 million
NAV per Share	105.2 pence	107.0 pence	104.6 pence
Annual Total Return (NAV) since IPO	6.89%	7.48%	6.97%
Annual Total Shareholder Return since IPO	7.03%	7.02%	8.35%
Profit after Tax for the Year	£6.0 million	£35.1 million	£11.5 million

PORTFOLIO SUMMARY

At the period end, the Company's portfolio consisted of 28 assets with total net peak capacity of 674MW. The UK portfolio represents a total installed capacity of 528MW across 24 operational assets accredited under the Renewables Obligation ("RO") scheme, with the exception of Yardwall which is Feed-in-Tariff ("FiT") accredited asset. The international portfolio consists of four assets located in Australia, representing 146MW of net installed capacity. The first Australian asset, Longreach, connected to the grid in March 2018, with the remaining three Australian assets under construction and expected to connect to the grid during the second half of 2018. The Australian assets benefit from subsidies in the form of Large-Scale Generation Certificates ("LGC").

During the period approximately, 53% of total revenues resulted from the sale of green certificates and FiT payments, with the remaining 47% representing the sale of the electricity generated by the assets in the Company's portfolio. The ROC buy-out price for the annual compliance period commencing in April 2018 increased to £47.22 (2017-18 compliance period: £45.58), reflecting the average monthly percentage change in RPI during 2017.

The Investment Manager has selected assets that deliver portfolio diversification by geographical location, panel manufacturers and O&M counterparties. The Australian assets, which at period end represented c.13% of the total equity invested, provide further diversification in a high irradiation environment and are expected to generate attractive returns on a risk-adjusted basis.

UK ACQUISITIONS

In April 2018, the Company acquired a portfolio of five operational solar parks with a total installed capacity of 53.3MW. The portfolio was acquired for £36.6 million, including transaction costs and approximately £4.2 million of cash balances. As part of the transaction, the Company acquired the economic benefit of all project cash flows from 1 January 2018.

At the date of acquisition, the portfolio had in place long-term debt facilities with an outstanding balance of £31.8 million provided by Macquarie Infrastructure Debt Investment Solutions, an existing lender to the Company investment portfolio.

The five assets acquired are detailed below:

Asset	Location	Installed Peak Capacity (MW)	Connection Date	Subsidy
Coombeshead	Devon	9.8	Aug-15	1.4 ROCs
Park Farm	Leicestershire	13.2	Jul-15	1.4 ROCs

Sawmill	Devon	6.6	Sep-15	1.4 ROCs
Verwood	Dorset	20.7	May-15	1.4 ROCs
Yardwell	Somerset	3.0	Sep-15	FiT

The portfolio also includes a 0.5MW onshore wind asset. The Company plans to hold this asset on a temporary basis. The asset was commissioned in December 2014 and accredited under the FiT scheme. The asset represents an insignificant part of the investment portfolio, representing less than 1% of the Company's NAV.

POST PERIOD END

In August 2018, the Company acquired a 114MW operational portfolio for an equity consideration of £47 million, including the economic benefit of all cashflows from 1 April 2018. The portfolio consists of 15 assets located in the UK, all accredited under the RO scheme, receiving a weighted average of 1.41 ROCs/MWh.

The transaction offered a unique opportunity to the Company as the portfolio was acquired from funds managed by Foresight Group LLP. All assets in the portfolio have been in operation for a minimum period of two years and have been managed by Foresight's in-house Asset Management team, thereby ensuring the quality of assets.

The portfolio offers a wide range of module manufacturers and O&M contractors servicing the individual assets, thereby increasing the diversification of the Company's UK portfolio.

The portfolio currently has debt facilities in place totalling £107.2 million provided by the Royal Bank of Scotland, which have been arranged on an asset by asset basis. It is the Company's intention to refinance these facilities and other UK assets in the Company's portfolio currently funded by Revolving Credit Facilities ("RCFs") as a whole within the next 12 months.

The 15 assets acquired are detailed below:

Asset	Location	Installed Peak Capacity (MW)	Connection Date	ROCs
Trehawke	Cornwall	10.6	Mar-14	1.6
Homeland	Dorset	13.2	Mar-14	1.6
Steventon	Oxfordshire	10.0	Jun-14	1.4
Welbeck	Nottinghamshire	11.3	Jul-14	1.4
Tengore Lane	Somerset	3.6	Feb-15	1.4
Gedling	Nottinghamshire	5.7	Mar-15	1.4
Marsh Farm	Wiltshire	9.1	Mar-15	1.4
Abergelli	South Wales	7.7	Mar-15	1.4
Field House	Hampshire	6.4	Mar-15	1.4
Cuckoo Grove	Pembrokeshire	6.1	Mar-15	1.4
Upper Huntingford	Gloucestershire	7.7	Oct-15	1.3
Yarburgh	Lincolnshire	8.1	Nov-15	1.3
Sheepbridge	Reading	5.0	Dec-15	1.3
Crow Trees	Nottinghamshire	4.7	Feb-16	1.3
Fields Farm	Warwickshire	5.0	Mar-16	1.3

POWER PRICES

UK

Power prices averaged approximately £50/MWh for most of Q1 2018 but increased significantly in March due initially to the very low temperatures and adverse weather that resulted in higher gas prices in Europe, with the daily average price temporarily increasing to £98/MWh at the beginning of March. The European Emission Allowances ("EUA") carbon price also rose significantly during Q1 2018 which further supported the increase in power prices.

In Q2 2018 power prices remained relatively stable, largely supported by gas prices and the continued rise in EUA carbon prices.

The Company's PPA strategy seeks to optimise revenues from power generated, while keeping the flexibility to manage the portfolio appropriately.

The Company continues to take advantage of current attractive forward electricity prices and has increased the proportion of fixed price arrangements from 29% (31 December 2017) to 54% of the electricity sales of the UK portfolio as at 30 June 2018. This increase is driven by new fixed price arrangements across six assets until 30 September 2018, at a weighted-average price of £48.07/MWh. Additionally, the 53.3MW portfolio acquired in April had, at the time of acquisition fixed price arrangements in place until 30 September 2018, at a weighted-average price of £44.83/MWh. This provides greater visibility over future cash flows and limits potential price volatilities in the short term.

The average power price for the UK portfolio during the period, including fixed price arrangements was £46.54, versus £40.61 in the first half of 2017, an increase of 14.6%.

The Investment Manager regularly reassesses conditions in the electricity market and updating its view on likely future movements. The Company retains the option to fix the PPAs of its portfolio assets at any time, but the Investment Manager is satisfied that the current proportion of fixed price arrangements offers an appropriate level of price certainty.

AUSTRALIA

In 2017, energy prices increased across the majority of regions as a result of the closure of base load plants (Hazelwood, Wallerawang, Northern and Swanbank E) and reduced availabilities of the coal fleet, as well as higher periods of electricity consumption and peak demand. South Australia and Tasmania exhibited the sharpest increases in pricing due to an extended period of outage of the interconnector with Victoria (in the case of Tasmania) and as a result of gas supply constraints over winter combined with interconnector outages (in the case of South Australia).

Wholesale prices during the first half of 2018 have fallen versus 2017 due to an increase in renewables penetration and reduced demand from large energy consumers.

The Investment Manager is currently reviewing the PPA options for Oakey 2 and expects to enter an agreement in advance of the target commissioning date in October 2018.

POWER PRICE FORECASTS

The Investment Manager uses forward looking power price assumptions to assess the likely future income of the portfolio assets for valuation purposes. The Company's assumptions are formed from a blended average of the forecasts provided by third party consultants and are updated on a quarterly basis for each relevant market.

UK

During the period, there was a downward movement of c.2.9% in the medium to long-term power price forecast driven by an expected higher penetration of installed renewable generation capacity and fall in commodity prices.

The Company's forecasts assume an increase in power prices in real terms over the medium to long-term of 1.1% per annum (31 December 2017: 1.3%).

Where the assumed asset life extends beyond 2040, the Investment Manager has assumed no real growth in forecast power prices.

AUSTRALIA

Prices are expected to fall between now and 2020 as a result of increasing levels of new renewable generation capacity entering the market under the large scale renewable energy target (LRET), in combination with stable levels of projected demand, as anticipated at the time of the Company's initial investment in the Australian market.

The federal government has announced its intention to introduce a National Energy Guarantee ("NEG") which is expected to reduce electricity prices, while continuing to provide a higher revenue stream for renewables in the form of higher contract prices linked to emission intensity. Further changes to the energy efficiency policy or the Renewable Energy Target are also feasible, as well as policy changes to encourage greater than 26% emissions reductions in the energy sector as reductions in other sectors are less feasible. On 20 August 2018 the federal government announced the NEG framework would no longer legislate on the country's commitment to reduce emissions by 26% by 2030, focusing instead on ministerial regulation driven by consumer electricity prices. The policy details and implementation of the NEG are yet to be finalised by the federal government.

THIRD PARTY DEBT ARRANGEMENTS AND GEARING POSITION

As at 30 June 2018, the total outstanding long-term debt was £201.0 million, representing 27% of GAV of the Company and Subsidiaries (31 December 2017: £152.4 million or 22% of GAV).

As at 30 June 2018, the total outstanding debt including RCFs was £306.0 million, representing 41% of GAV (31 December 2017: £200.3 million or 29% of GAV.)

LONG TERM FACILITIES

As at 30 June 2018, £186.6 million of long-term debt facilities was outstanding*. This figure includes the £31.8 million debt facilities in place at the date of acquisition of the 53.3MW portfolio acquired in April 2018. The new debt facilities have a remaining tenure of 16 years and includes an inflation-linked and a fixed-rate tranche, representing 85% and 15%, respectively, of the total facility amount. Inflation linked debt facilities represent £90.9 million of the total long-term debt outstanding as of 30 June 2018.

* Includes £5.8m of nominal revaluation of the inflation-linked facilities.

At 30 June 2018, the average cost of long-term debt, including the new facility was 2.47% per annum (2017: 2.5%), including the cost of the inflation linked facilities of 1.35% per annum. The cost of the inflation linked facility is expected to increase over time assuming the Company's long-term annual RPI forecast of 2.75%, to an equivalent average annual cost of c.2.99% over the term of the facilities.

REVOLVING CREDIT FACILITIES

As part of the acquisition of five new assets in April 2018, the Company agreed a £10 million facility extension of the RCF entered in February 2017 at the prevailing rate of LIBOR + 2%. As at 30 June 2018, RCFs of £105m were fully drawn.

At 30 June 2018 the all-in annualised cost of the revolving credit facilities was 1.71%. The Investment Manager expects to refinance the remaining balance either through future equity raisings or other long-term refinancing arrangement.

TERM FACILITIES FOR AUSTRALIAN ASSETS

As at 30 June 2018, the following project companies had drawn down on their debt facilities:

Project	Facility size	Amount drawn
Bannerton (CEFC)	c.A$98m	A$11.2m*
Oakey 1 (CEFC)	c.A$19m	A$14m
Oakey 1 (MUFG)	c.A$19m	A$14m
Longreach (CEFC)	c.A$13.5m	A$12.2m
Longreach (MUFG)	c.A$13.5m	A$12.2m
Oakey2 (CEFC)	c.A$55m	undrawn

*The balance of the loan as at the end of June, including capitalised interest and commitment fees was A$11.5m

When assets are not owned in their entirety by the Company only the pro-rata debt amounts drawn are considered for gearing ratio calculation purposes.

DIVIDENDS

Since the IPO, the Company has met all target dividends. The Company is targeting a full year dividend for the year ending 31 December 2018 of 6.58 pence.

DIVIDEND TIMETABLE FOR FY2018

Dividend	Amount	Status	Payment Date
Interim 1	1.64 pence	Approved	24 August 2018
Interim 2	1.64 pence	Approved	23 November 2018
Interim 3	1.65 pence	Targeted	Q1 2019
Interim 4	1.65 pence	Targeted	Q2 2019
TOTAL	6.58 pence		

The first interim quarterly dividend of 1.64 pence for the year ending 31 December 2018 will be paid on 24 August 2018.

On 21 August 2018 the Board approved the second interim dividend relating to FY2018 of 1.64 pence per share.

Dividend Timetable – Interim 2	
Ex-dividend Date	8 November 2018
Record Date	9 November 2018
Payment Date	23 November 2018

DIVIDEND COVER

Total dividends of £27.9 million were paid during the year to 30 June 2018. Compared with the relevant net cash flows of the Company and underlying investments, these dividends were covered 1.14 times when dividends paid to new equity are excluded.

FOREIGN EXCHANGE

As a result of its Australian acquisitions, the Company will be exposed to foreign exchange movements in respect of these investments. To reduce the impact of potential currency fluctuations and to minimise the volatility of equity returns and cash flow distributions, the Company will implement a hedging strategy by entering into forward contracts for up to two years in an amount equivalent to c.75% of its distributable foreign currency cash flows at project level. Due to the predictable nature of solar irradiation in Australia, and the known dividend payment dates, the Investment Manager believes this hedging solution will protect the cash yields from the Australian projects.

The cost of the equity investments will not benefit from foreign exchange hedging, considering the long-term investment strategy of the Company.

The Company will review this foreign exchange strategy on a semi-annual basis with the objective of limiting the short-term volatility in sterling distributable cash flows caused by foreign exchange fluctuations and of optimising the costs of the hedging instruments.

ONGOING CHARGES

The ongoing charges ratio for the year to 30 June 2018 was 1.19% (31 December 2017: 1.18%). This has been calculated using methodology as recommended by the Association of Investment Companies ("AIC"). Foresight Group LLP charges asset management fees directly to the assets and these are not included within the ongoing charge ratio.

INVESTMENT PERFORMANCE

The NAV per share for the Company as at 30 June 2018 decreased to 105.2 pence compared to 107.0 pence as at 31 December 2017.

GROSS ASSET VALUE ("GAV")

The GAV of the Company is £749.0 million as at 30 June 2018. The reconciliation below shows the GAV as it would be on a consolidated basis when all third party debt at the intermediate holding level is included. There is no external debt at asset level for the UK assets.

GAV of Company	**£474.5m**
Less: Valuation of Investment	£(403.0)m
Add: Valuation of underlying solar portfolio	£677.4m
Add: Other net assets of subsidiaries	£0.1m
GAV of Company and subsidiaries	**£749.0m**

MOVEMENTS IN NAV

A breakdown in the movement of the Group NAV during the reporting period is shown in the table below.

	NAV	NAV per share
NAV as at December 2017	**£481.3m**	**107.0p**
Dividend paid	£(14.2)m	(3.2)p
Interest earned	£17.4m	3.9p
Management fee	£(2.3)m	(0.5)p
RCF Finance costs	£(1.0)m	(0.2)p
Other cost (incl. CT)	£(1.6)m	(0.4)p
Inflation*	£8.5m	1.9p
Acquisitions*	£0.9m	0.2p
Valuation Date*	£(4.6)m	(1.0)p
PR*	£(0.8)m	(0.2)p
Power Curve*	£(9.7)m	(2.1)p
Other*	£(0.8)m	(0.2)p
NAV as at June 2018	**£473.1m**	**105.2p**

* Movement in the valuation of underlying solar assets

VALUATION OF THE PORTFOLIO

The Investment Manager is responsible for providing fair market valuations of the Company's underlying assets to the Board of Directors. The Directors review and approve these valuations following appropriate challenge and examination. Valuations are undertaken quarterly. A broad range of assumptions is used in the valuation models. These assumptions are based on long-term forecasts and are not affected by short-term fluctuations, be it economic or technical.

It is the policy of the Investment Manager to value with reference to Discounted Cash Flows ("DCF") at the later of commissioning or transaction completion. This is partly due to the long periods between agreeing an acquisition price and financial completion of the acquisition. Quite often this delay reflects construction. Revenues accrued do not form part of the DCF calculation when making a fair and proper valuation.

The current portfolio consists of non-market traded investments and valuations are based on a DCF methodology or held at cost where the assets have not yet reached commissioning. This methodology adheres to both IAS 39 and IFRS 13 accounting standards as well as the International Private Equity and Venture Capital ("IPEV") Valuation Guidelines.

The Company's Directors review the operating and financial assumptions, including the discount rates, used in the valuation of the Company's portfolio and approve them based on the recommendation of the Investment Manager.

As reported in the 2017 Annual Accounts, as of 31 December 2017 the Company adapted its valuation methodology to apply a levered equity discount rate of 7.75% for UK assets which utilise long term debt facilities whilst maintaining an unlevered equity discount rate of 7.0% for those assets that are funded by equity or RCF proceeds. As of 30 June 2018, the discount rates remained unchanged, with Shotwick, Sandridge and Wally Corner, being valued at a 7.0% unlevered discount rate and the remaining assets in the UK portfolio valued at a levered equity discount rate of 7.75%.

The discount rate used for those assets which have received lease extensions is 9% after 25 years.

Longreach, the first Australian asset to become operational, is being valued applying a levered discount rate of 8.5%.

DIVIDEND PAID
The Company paid dividends of £14.2 million during the period 1 January 2018 to 30 June 2018.

INTEREST EARNED
The Company and its subsidiaries accrued £17.4 million of investment income during the reporting period. This income represents distributions from the underlying assets.

COSTS
Total costs of £4.9 million, which include corporation tax, management fees, finance and other costs, were incurred by the Company and its subsidiaries on a consolidated basis during the year.

INFLATION
The Investment Manager continues to use 2.75% as its medium/long-term inflation assumption. As at 30 June 2018, the models reflect OBR forecasts for the period between 2018 and 2020 are: 3.46%, 2.71% and 2.89% respectively.

ACQUISITIONS
During the period the Company completed the acquisition of a 53.3MW portfolio of five assets located in the UK, resulting in a NAV uplift of £0.5 million which represents the difference between the acquisition prices paid and the current valuations.

Longreach connected in March and as such has been revalued this quarter using the discounted cash flow methodology, in line with the rest of the portfolio. This resulted in a NAV uplift of £0.4 million.

The remaining Australian acquisitions are valued at cost and will continue to be held at cost until the assets become connected to the grid. These asset valuations are updated quarterly to reflect movements related to exchange rate.

EQUITY RAISED
No Share Placings took place during the reported period. The 30 June 2018 valuation does not include the £48.1 million proceeds from the July fundraise.

DISCOUNT RATE
The Company's discount rates reported above remain unchanged and as reported in the 31 December 2017 Annual Accounts.

The Investment Manager regularly reviews the discount rate to ensure it remains in line with any changes to the risk profile of the Company.

VALUATION DATE

This movement represents the impact of moving from one valuation date to another. Over the life of an asset this movement will reduce the valuation to nil. Short term increases arise from moving towards higher cash yields (and therefore discounting them less).

PERFORMANCE RATIO ("PR")

The performance ratio assumptions in the valuation models are initially linked to contractually guaranteed performance and the initial technical due diligence findings at the time of acquisition. The long-term assumptions are adjusted on an ongoing basis as more data becomes available, recognising the actual performance ratios experienced across the portfolio on an asset by asset basis. This approach is applied on a quarterly basis to ensure valuation assumptions better reflect the actual performance of the sites. The movements in assumed performance ratios are implemented conservatively at a rate that ensures short term fluctuations do not inflate performance potential.

POWER CURVE

The Investment Manager uses forward looking power price assumptions to assess the likely future income of the portfolio assets for valuation purposes. The Company's assumptions are formed from a blended average of the forecasts provided by third party consultants and are updated on a quarterly basis.

During the period there was a downward movement of 2.9% in the medium to long term power price forecast. The Company's forecasts continue to assume an increase in power prices in real terms over the medium to long-term of 1.1% per annum (31 December 2017: 1.3%).

OTHER MOVEMENTS

This includes other factors behind the valuation movement for example revisions in underlying assumptions regarding operational efficiencies, such as insurance.

LEASE EXTENSIONS

Prior to the period, the Asset Manager secured lease and planning rights to extend the useful economic life of eight assets in the portfolio by up to an extra ten years beyond the standard 25-year period. These extensions are included in the DCF model.

The cash flows from operations that fall after the initial 25-year period have been discounted at 9.0%, reflecting the merchant risk of the expected cash flows beyond the initial 25-year period.

The average extension to useful economic life across the eight assets is 8.2 years with additional costs incorporated into the extended lives. The weighted life of the UK portfolio as at 30 June 2018 is 28.3 years (31 December 2017: 28.7 years).

There have been no lease extensions during the reported period.

VALUATION SENSITIVITIES

Where possible, assumptions are based on observable market and technical data. In many cases, such as forward power prices, independent advisors are used to provide reliable and evidenced information enabling the Investment Manager to adopt a prudent approach. The Investment Manager has set out the inputs which it has ascertained would have a material effect upon the NAV in note 16 of the financial statements. All sensitivities are calculated independently of each other.

Asset Manager's Report

Portfolio Performance

UK PORTFOLIO PERFORMANCE

The Asset Manager is pleased with production levels during the period, which were driven by higher than expected levels of irradiation. For the period production levels were 0.9% above expectations versus irradiation levels, which were 3.2% above forecasts.

The portfolio performance continued to improve during the first half of the year with only two isolated events causing production variance to fall behind irradiation variance. Those incidents, which will be compensated for through insurance and contractual liquidated damages are explained in more detail below. The incidents are isolated events and will not affect the long-term performance of the assets.

Further EPC remedial works were performed on three of the SunEdison-built sites which experienced underperformance in 2017 (Pitworthy, High Penn, Highfields). These sites combined represent 7% of UK installed capacity, with works resulting in lower availability than our long-term assumptions provide for. There is no concern around the long-term performance capability of these sites but the works needed are taking longer than initially envisaged.

PRODUCTION

The production figures below have been adjusted for events where compensation has been, or will be, received.

Site	MW	Production (MW hours)	Production Variance	Irradiation Variance
Atherstone	14.8	7,807,744	7.3%	8.1%
Bournemouth	37.3	21,621,975	2.7%	0.1%
Castle Eaton	17.8	9,050,875	4.2%	4.9%
Coombeshead	9.8	3,972,193	1.6%	0.9%
Copley	30.0	15,854,259	5.6%	2.2%
High Penn	9.6	4,727,977	-3.9%	0.5%
Highfields	12.2	5,695,798	-5.2%	0.9%
Hunters Race	10.3	5,849,319	2.3%	-0.2%
Kencot	37.2	19,877,033	4.2%	2.9%
Landmead	45.9	23,445,713	2.7%	5.4%
Membury	16.5	8,445,573	-0.6%	-1.7%
Paddock Wood	9.2	5,149,779	5.2%	2.9%
Park Farm	13.2	4,958,108	9.4%	4.8%
Pitworthy	15.6	6,629,973	-15.0%	6.6%
Port Farms	34.7	17,883,078	0.2%	1.9%
Sandridge	49.6	25,913,246	0.1%	0.7%
Sawmills	6.6	2,511,730	-2.6%	-1.1%
Shotwick	72.2	34,835,960	-3.6%	7.6%
Southam	10.3	5,469,607	5.5%	3.0%
Spriggs	12.0	6,405,888	3.1%	-1.1%
Verwood	20.7	8,068,795	2.2%	3.6%
Wally Corner	5.0	2,793,598	5.5%	2.7%
Wymeswold	34.5	16,986,165	0.9%	5.1%
Yardwall	3.0	1,203,412	-2.2%	-0.2%
Total	**527.9**	**265,157,796**	**0.9%**	
Weighted Total				**3.2%**

SHOTWICK (72MW)

On 25 April 2018, there was a break-in at Shotwick and cable was stolen from the site. The EPC reacted quickly, the damage was rectified and the site was fully operational by the end of May. The

Asset Manager considers this an insurable event. This Incident accounted for 0.8% of Shotwick's expected production for the period.

On 25 June 2018, the cable connecting the solar power plant and the substation failed, forcing the site offline. The Asset Manager and Independent Connection Provider ("ICP") worked continuously to ensure re-energisation of the site as quickly and safely as possible. The cable route in question ran over and along a railway bridge, main road and gas main pipeline. The site was re-energised on 27 July 2018. The Investment Manager expects compensation to be received through a combination of insurance and ICP damages representing a high proportion of the revenues losses. Production losses not covered by insurance or contractual protection are expected to be around £0.32m.

CASTLE EATON (18MW), HIGH PENN (10MW), HIGHFIELDS (12MW) AND PITWORTHY(16MW)

In the six month period, the four sites have seen a marked improvement in performance. During the period, minor incidents occurred at High Penn, Highfields and Pitworthy, which reduced site availability. The incidents at High Penn and Highfields were dealt with in a timely manner and are of no ongoing concern to the Asset Manager. Pitworthy continues to be impacted by a lack of availability of inverters. The Asset Manager is working with the O&M Contractor and the inverter manufacturer to improve the situation. Despite this, during the period Pitworthy has seen continued improvement in performance due to the ongoing works. Castle Eaton performed in line with expectation.

KENCOT (37MW)

Under performance at Kencot was due to the failure of separate voltage transformers twice within the period, affecting approximately 50% of the site's capacity. The first instance occurred from 23 February to 10 March. The second from 9 April to 15 May. Liquidation damages are being sought from the O&M Contractor to cover periods of unavailability.

AUSTRALIAN CONSTRUCTION ASSETS

The Australian assets in construction have shown positive progress, with Longreach becoming the first operational asset and the remaining assets expected to connect to the grid in the second half of 2018.

BANNERTON

Construction works on site remain broadly on time however the project is experiencing delays with the grid connection works that in turn are expected to cause delays in achieving full export capacity. The project is expected to be partially exporting at the end of August with full export targeted during early November 2018. The Company is protected financially from losses resulting from the grid connection delay under the existing project contracts.

LONGREACH

Construction of Longreach is complete and the site is now operational. The project connected to the grid in March 2018 and has started exporting electricity.

OAKEY 1 AND OAKEY 2

Construction is progressing well with both sites currently on track to connect to the grid in September and October 2018 respectively.

The Investment Manager is currently reviewing the PPA options for Oakey 2 and expects to enter an agreement in advance of the target commissioning date in October 2018.

Environmental, Social and Governance Considerations

Environmental, Social and Governance ('ESG") considerations inform and shape all stages of the Company's investment process and the day-to-day operations of the portfolio to ensure sustainable, long-term growth.

Foresight Group is a signatory to the United Nations Principles for Responsible Investment ("UNPRI"). As a signatory to this voluntary framework, Foresight Group submits an annual report to the UNPRI on its responsible investment activities. For the 2017 full year period, both Foresight Group as an organisation, and Foresight Group's Infrastructure division, were awarded A ratings.

ENVIRONMENTAL STEWARDSHIP

In addition to the environmental advantages of large scale renewable energy, each investment is closely monitored for its localised environmental impact. The Company works with residents, landowners and local authorities to help minimise the visual and auditory impact of sites. Solar power plants are managed in a manner that maximizes the agricultural, landscaping, biodiversity and wildlife potential, which can also contribute to lowering maintenance costs and enhancing security.

During the six-month period, the Company continued its efforts to ensure the solar power plants are being effectively managed for biodiversity. Enhancement measures are installed and effectively maintained by conducting biodiversity audits. These audits ensure the following:

- Sites and perimeter hedgerows and trees promote wildflower meadows, nesting and other habitats;
- Defective planting is replaced and hedgerows and trees maintained in a healthy condition in accordance with best practice management;
- Landscape and Ecological Management plans are adhered to;
- Land is kept in good condition and not damaged during operations;

The Asset Manager is actively promoting beekeeping on the solar power plants to assist in restoring the native bee population and provide local opportunities for artisanal honey production. The Asset Manager is also looking to seed sites with nectar rich wildflower species to attract bees, birds and insects. On those sites where the land was previously used for sheep grazing, the Asset Manager has ensured that the solar plants do not displace tenant sheep graziers. Some sites have also been designed to allow for sheep grazing through the installation of protective barriers around electrical equipment.

At Paddock Wood solar power plant a new apple orchard and 440 metres of new hedgerow have been planted. In addition to this, wildflowers were planted, log piles built, bird and bat boxes installed and a local bee keeper invited to keep hives at the site. Funds have also been raised to set up signs for the Hop Pickers Line Heritage Trail as the solar power plant is located on the historic hop pickers railway route where London families used to take 'Hopper Specials' from London Bridge Station to the hop fields for harvesting to earn extra income and enjoy the countryside.

During the period, the Company's 528MW operational UK portfolio produced 260GWh of clean energy. This is the equivalent of:

SOCIAL AND COMMUNITY ENGAGEMENT

The Asset Manager actively seeks to engage with the local communities around the Company's solar assets and has organised a number of educational site visits. For example, at the Company's Australian site, Bannerton, located in Victoria, students from Robinvale College visited the site and learnt about solar power, electricity and the solar panel process. In March 2018, the Company also launched the Bannerton solar park grant scheme, providing grants of up to $5,000 to local community groups. The groups which were awarded the grant were: Rotary Club of Robinvale-Euston, St Vincent de Paul Society Robinvale, Murray Valley Aboriginal Co-operative, Robinvale College, Mallee Almond Blossom Festival, Englefield V8 Car Trek team, Robinvale Storm Rugby Club, Robinvale – Euston Netball Club and Robinvale Rowing Club and Youth Association.

In the UK, for the second year running, in April 2018, the Company invited the Institution of Engineering and Technology to visit Wymeswold solar power plant in Leicestershire. The group toured the 78-hectare site to witness first-hand the operational aspects of a solar power plant. The site's Operations and Maintenance (O&M) contractor, Brighter Green Engineering, explained details of the day-to-day management of the solar power plant and steps taken to maximise operational efficiency and environmental stewardship.

The Asset Manager also regularly attends parish council meetings to encourage community engagement and promote the benefits of the solar assets. The Company also supports community benefit schemes to develop and maintain community assets. Projects funded include upgrading recreational facilities and playgrounds and the provision of bus shelters in rural communities.

GOVERNANCE

The Asset Manager regularly reviews all solar assets to ensure they are compliant with planning consents and the conditions attached to them and actively engages with local councils. In addition to ensuring the Company is protected from prosecution, this also promotes trust with local communities.

Principal Risks

The Directors consider the following as relevant risks and uncertainties and mitigants to the Company at this time:

- Risks relating to regulatory changes in the UK and Australian electricity market
- Risks relating to the sale of electricity
- Risks relating to gearing
- Risks relating to inflation as measured by RPI
- Risks relating to assets under construction
- Risks relating to operation and maintenance contracts
- Risks relating to the taxation of the Company

More detailed information on the risks and uncertainties affecting the Company can be found on pages 19-37 of the Company's most recent Prospectus issued on 3 March 2017 and the Risk Management section in the Company's latest Full Year Results Report for the year ended 31 December 2017.

Statement of Directors’ Responsibilities

For the period 1 January 2018 to 30 June 2018

The Disclosure Guidance and Transparency Rules (“DTR”) of the UK Listing Authority require the Directors to confirm their responsibilities in relation to the preparation and publication of the Unaudited Half-Yearly Financial Report for the six months ended 30 June 201.

The Directors confirm to the best of their knowledge that:

(a) the summarised set of financial statements has been prepared in accordance with the pronouncement on interim reporting issued by the Accounting Standards Board;

(b) the Unaudited Half-Yearly Financial Report for the six months ended 30 June 2018 includes a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months of the year and a description of principal risks and uncertainties that the Company faces for the remaining six months of the year);

(c) the summarised set of financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company as required by DTR 4.2.4R; and

(d) the interim management report includes a fair review of the information required by DTR 4.2.8R (disclosure of related parties’ transactions and changes therein).

For and behalf of the Board

Alexander Ohlsson
Chairman

22 August 2018

Statement of Comprehensive Income

For the period 1 January 2018 to 30 June 2018

	Notes	Unaudited Period 1 January 2018 to 30 June 2018 £'000	**Unaudited Period 1 January 2017 to 30 June 2017 £'000**	**Audited year 1 January 2017 to 31 December 2017 £'000**
Revenue				
Interest income	4	**18,322**	17,366	35,421
(Loss) / Gain on investments at fair value through profit or loss	14	**(9,542)**	(4,222)	4,650
		8,780	13,144	40,071
Expenditure				
Management fees	5	**(2,299)**	(1,306)	(4,277)
Administration and accountancy expenses	6	**(84)**	(134)	(212)
Directors' fees	7	**(85)**	(73)	(155)
Other expenses	8	**(267)**	(162)	(340)
Total expenditure		**(2,735)**	(1,675)	(4,984)
Profit before tax for the period/year		**6,045**	11,469	35,087
Taxation		**–**	–	–
Profit for the period/year		**6,045**	11,469	35,087
Other comprehensive income		**–**	–	–
Profit and total comprehensive income for the period/year		**6,045**	11,469	35,087
Earnings per Ordinary Share (pence per Share)	9	**1.34**	3.04	8.80

All items above arise from continuing operations, there have been no discontinued operations during the period.

The accompanying notes on pages 48 to 73 form an integral part of these Financial Statements.

Statement of Financial Position

As at 30 June 2018

	Notes	Unaudited 30 June 2018 £'000	Unaudited 30 June 2017 £'000	Audited 31 December 2017 £'000
Assets				
Non-current assets				
Investments held at fair value through profit or loss	14	**403,422**	372,092	408,464
Total non-current assets		**403,422**	372,092	408,464
Current assets				
Interest receivable	10	**68,948**	50,391	57,626
Trade and other receivables	11	**1,926**	5,513	1,933
Cash and cash equivalents	12	**180**	5,401	14,669
Total current assets		**71,054**	61,305	74,228
Total assets		**474,476**	433,397	482,692
Equity				
Retained earnings		**18,619**	16,822	26,793
Stated capital	18	**454,515**	415,977	454,515
Total equity		**473,134**	432,799	481,308
Liabilities				
Current liabilities				
Trade and other payables	13	**1,342**	598	1,384
Total current liabilities		**1,342**	598	1,384
Total liabilities		**1,342**	598	1,384
Total equity and liabilities		**474,476**	433,397	482,692
Net Asset Value per Ordinary Share	19	**105.2**	104.6	107.0

The Financial Statements on pages 44 to 73 were approved by the Board of Directors and signed on its behalf on 21 August 2018 by:

Alexander Ohlsson

Chairman

The accompanying notes on pages 48 to 73 form an integral part of these Financial Statements.

Statement of Changes in Equity

For the period 1 January to 30 June 2018

	Notes	Stated Capital £'000	Retained Earnings £'000	Total £'000
Balance as at 1 January 2018 (unaudited)		**454,515**	**26,793**	**481,308**
Total comprehensive income for the period:				
Profit for the period		**–**	**6,045**	**6,045**
Transactions with owners, recognised directly in equity:				
Dividends paid in the period	22	**–**	**(14,219)**	**(14,219)**
Balance as at 30 June 2018		**454,515**	**18,619**	**473,134**

For the period 1 January 2017 to 30 June 2017 (unaudited)

	Notes	Stated Capital £'000	Retained Earnings £'000	Total £'000
Balance as at 1 January 2017:		339,003	11,767	350,770
Total comprehensive income for the period:				
Profit for the period		–	11,469	11,469
Transactions with owners, recognised directly in equity:				
Dividends paid in the period	22	–	(6,414)	(6,414)
Issue of Ordinary Shares	18	78,497	–	78,497
Issue costs	18	(1,523)	–	(1,523)
Balance as at 30 June 2017		415,977	16,822	432,799

For the period 1 January 2017 to 31 December 2017 (unaudited)

	Notes	Stated Capital £'000	Retained Earnings £'000	Total £'000
Balance as at 1 January 2017:		339,003	11,767	350,770
Total comprehensive income for the year:				
Profit for the year		–	35,087	35,087
Transactions with owners, recognised directly in equity:				
Dividends paid in the year	22	–	(20,061)	(20,061)
Issue of Ordinary Shares	18	117,539	–	117,539
Issue costs	18	(2,027)	–	(2,027)
Balance as at 31 December 2017		454,515	26,793	481,308

The accompanying notes on pages 48 to 73 form an integral part of these Financial Statements.

Statement of Cash Flows

For the period 1 January to 30 June 2018

	Unaudited Period 1 January 2018 to 30 June 2018 £'000	Unaudited Period 1 January 2017 to 30 June 2017 £'000	Audited year 1 January 2017 to 31 December 2017 £'000
Profit for the period after tax from continuing operations	**6,045**	11,469	35,087
Adjustments for:			
Unrealised loss/(gain) on investments	**9,542**	4,222	(4,650)
Investment income	**(18,322)**	(17,366)	(35,421)
Operating cash flows	**(2,735)**	(1,675)	(4,984)
Decrease/(increase) in trade and other receivables	**7**	(666)	2,914
(Decrease)/increase in trade and other payables	**(42)**	482	1,268
Net cash (outflow)/inflow from operating activities	**(2,770)**	(1,859)	(802)
Investing activities			
Increase in shareholder loan to/from subsidiary	**(4,500)**	(102,700)	(130,200)
Investment income received	**7,000**	19	10,839
Net cash outflow from investing activities	**2,500**	(102,681)	(119,361)
Financing activities			
Dividends paid	**(14,219)**	(6,414)	(20,061)
Issue costs paid	**–**	(1,523)	(2,027)
Proceeds from issue of shares	**–**	78,497	117,539
Net cash (outflow)/inflow from financing activities	**(14,219)**	70,560	95,451
Net decrease in cash and cash equivalents	**(14,489)**	(33,980)	(24,712)
Cash and cash equivalents at the beginning of the period	**14,669**	39,381	39,381
Cash and cash equivalents at the end of the period	**180**	5,401	14,669

The accompanying notes on pages 48 to 73 form an integral part of these Financial Statements.

Notes to the Financial Statements

For the period 1 January to 30 June 2018

1. Company information

Foresight Solar Fund Limited (the "Company") is a closed-ended company with an indefinite life and was incorporated in Jersey under the Companies Law (Jersey) 1991, as amended, on 13 August 2013, with registered number 113721. The address of the registered office is: 28 Esplanade, St Helier, Jersey, JE4 2QP.

The Company has one investment, Foresight Solar (UK Hold Co) Limited ("UK Hold Co"). Up to 31 March 2016, UK Hold Co invested in further holding companies (the "SPVs") which then invested in the underlying solar investments. On 11 January 2016, UK Hold Co incorporated a subsidiary, FS Holdco Limited ("FS Holdco"). On 31 March 2016, UK Hold Co transferred all equity investments and related shareholder loans in the SPVs to FS Holdco in return for 16 ordinary shares issued by FS Holdco Limited and a loan receivable on a pari passu basis.

On 1 December 2016, UK Hold Co incorporated a further subsidiary, FS Holdco 2 Limited ("FS Holdco 2"), which in turn incorporated a subsidiary, FS Debtco Limited ("FS Debtco"), on 2 December 2016. FS Debtco invested in SPVs which then invested in the underlying solar investments.

During the year ended 31 December 2017, UK Hold Co incorporated two additional subsidiaries, FS Holdco 3 Limited ("FS Holdco 3"), on 31 August 2017 and FS Holdco 4 Limited ("FS Holdco 4"), on 1 September 2017. FS Holdco 3 and FS Holdco 4 invested in SPVs which then invested in the underlying solar investments.

The principal activity of the Company, UK Hold Co, FS Holdco, FS Holdco 2, FS Debtco, FS Holdco 3, FS Holdco 4 and the SPVs (together "the Group") is investing in operational UK and Australian ground based solar power plants.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of presentation

The Unaudited Interim Financial Statements (the "Interim Financial Statements") for the period 1 January 2018 to 30 June 2018 have been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting' ("IAS 34").

The Interim Financial Statements do not include all the information and disclosures required in the annual Financial Statements, and should be read in conjunction with the annual Financial Statements as at 31 December 2017.

These are not statutory accounts in accordance with Article 105 of the Companies Law (Jersey) 1991, as amended and the financial information for the period ended 30 June 2018 and 30 June 2017 has been neither audited nor formally reviewed. Statutory accounts in respect of the period to 31 December 2017 have been audited and reported on by the Company's auditors and delivered to the Registrar of Companies and included the report of the auditors which was unqualified and did not contain a statement under Article 113B (3) or 113B (6) of the Companies Law (Jersey) 1991. No statutory accounts in respect of any period after 31 December 2017 have been reported on by the Company's auditors or delivered to the Registrar of Companies.

2.2 Going concern

The Directors have considered the Company's cash flow projections for a period of no less than twelve months from the date of approval of these Interim Financial Statements together with the Company's borrowing facilities. These projections show that the Company will be able to meet its liabilities as they fall due.

The Directors have therefore prepared the Interim Financial Statements on a going concern basis.

2.3 Changes in accounting policies and disclosures

New and revised IFRSs adopted by the Company

The accounting policies used in the preparation of the interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2017 and are expected to be consistently applied during the year ended 31 December 2018.

In addition, the following new standards and amendments to standards and interpretations are effective for annual periods after 1 January 2018 and will be applicable for the year ended 31 December 2018 and therefore for the current six month period ended 30 June 2018:

- IFRS 15 'Revenue from Contracts with Customers'.
- IFRS 9 'Financial Instruments – Classification and Measurement'.

The impact of the adoption of these standards and the new accounting policies are disclosed in note 25. The other new or amended standards did not have any impact on the Company's accounting policies and did not require retrospective adjustments.

NEW AND REVISED IFRSS IN ISSUE BUT NOT YET EFFECTIVE

There are no standards, amendments or interpretations in issue at the reporting date which have been issued but are not yet effective that are deemed to be material to the Fund.

2.4 Consolidation

ASSOCIATES

Associates are entities over which the Company has significant influence, being the power to participate in the financial and operating policy decisions of the investee (but not control or joint control).

SUBSIDIARIES

All subsidiaries are entities over which the Company has control. The Company controls an entity when the Company is exposed to, or has the rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

INVESTMENT ENTITY

Qualifying entities that meet the definition of an investment entity are not required to produce a consolidated set of Financial Statements and instead account for subsidiaries at fair value through profit or loss.

The defined criteria of an 'investment entity' are as follows:

- It holds more than one investment;
- It has more than one investor;

- It has investors that are not related parties to the entity; and
- It has ownership interests in the form of equity or similar interests.

However, the absence of one or more of these characteristics does not prevent the entity from qualifying as an 'investment entity', provided all other characteristics are met and the entity otherwise meets the definition of an 'investment entity':

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

As discussed in note 1, the Company has one direct subsidiary, a 100% controlling interest in UK Hold Co and a number of indirect subsidiaries.

Under IFRS 10 "Consolidated Financial Statements", the directors deem that the Company is an investment entity and therefore the Company does not consolidate its subsidiary but carries it at fair value through profit or loss. The Company does not meet all the defined criteria of an 'investment entity' as the Company only has one investment. However, the Directors deem that the Company is nevertheless an 'investment entity' as the remaining requirements have been met and, through the Group, there is a diverse investment portfolio which will fill the criteria of having more than one investment. Therefore, the Company qualifies as an 'investment entity'.

As UK Hold Co is not consolidated, its subsidiaries (plus their underlying investments) are not separately presented at fair value through profit or loss in the Company's accounts. However accounting standards require that if an investment entity is the parent of another investment entity, the parent shall also provide the additional disclosures required by IFRS 12 Interest in unconsolidated subsidiaries. These disclosures are set out in notes 16 and 17.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of Financial Statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

The Board considers that the only areas where management make critical estimates and judgements that may have a significant effect on the financial statements are in relation to the valuation of financial assets at fair value through profit and loss, new significant judgements and key sources of estimation uncertainty related to the application of IFRS 15 and IFRS 9, which are described in Note 25 and the determination that the Company meets the definition of an investment entity, which is discussed in detail in note 2.4.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates and underlying assumptions are reviewed on an ongoing basis.

The Board considers that the determination that the Company meets the definition of an investment entity involves significant judgement because the entity does not possess all the typical characteristics of an investment entity. While the absence of one or more of the typical characteristics of an investment entity described in IFRS 10 Consolidated Financial Statements does not immediately disqualify an entity from being classified as an investment entity. The entity is required to disclose its reasons for concluding that it is nevertheless an investment entity if one or more of these characteristics are not met. In order to reach that conclusion of whether the Company meets the definition of an investment entity the Board had to make significant judgements.

The Board considers that the fair value of Investments not quoted in an active market involves critical accounting estimates and judgements because it is determined by the Directors using their own models, which are usually based on valuation methods and techniques generally recognised as standard within the industry. Models use observable data, to the extent practicable. However, they also rely on significant unobservable inputs about the output of the asset (including assumptions such as solar irradiation and technological performance of the asset), power prices, operating costs, discount and inflation rates applied to the cash flows, and the duration of the useful economic life of the asset. Furthermore, changes in these inputs and assumptions could affect the reported fair value of financial instruments. The determination of what constitutes 'observable' requires significant judgement by the Fund. The Fund considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

4. INTEREST INCOME

	30 June 2018 £'000	**30 June 2017 £'000**	**31 December 2017 £'000**
Bank interest income	-	19	25
Interest on loan notes	**16,751**	15,549	32,246
Interest on shareholder loan	**1,571**	1,798	3,150
	18,322	17,366	35,421

Loan notes were issued by the Company to UK Hold Co for the purchase of investments. Interest is payable at 9% per annum in arrears on each Interest Payment Date (28 / 29 February and 31 August each year). Where interest is not paid on the payment date, it will compound and future interest shall accrue at 11% per annum from the due date up to the date of actual payment, compounding on each Interest Payment Date. The loan notes balance at period end on which interest is charged is £250,000,000 (30 June 2017: £250,000,000, 31 December 2017: £250,000,000). These loans form part of the fair value of the investments as per note 14.
A shareholder loan is created when the total amount paid by the Company on behalf of UK Hold Co to acquire the underlying investments is more than the total loan notes issued by the Company to UK Hold Co. Interest was previously accrued at 9% per annum, decreasing to 2% per annum with effect from 1 April 2017, and is repayable in full on demand. The shareholder loan balance at period end is £158,609,725 (30 June 2017: £126,609,725, 31 December 2017: £154,109,725). These loans form part of the fair value of the investments as per note 14.

5. MANAGEMENT FEES

The Investment Manager of the Company, Foresight Group CI Limited, receives an annual fee of 1% of the Net Asset Value ("NAV") of the Company. This is payable quarterly in arrears and is calculated based on the published quarterly NAV. For the period ended 30 June 2018, the Investment Manager was entitled to a management fee of £2,299,044 (1 January 2017 to 30 June 2017: £1,306,418, 1 January 2017 to 31 December 2017: £4,276,808) of which £1,341,858 was outstanding as at 30 June 2018 (30 June 2017: £498,574, 31 December 2017: £1,257,741).

6. ADMINISTRATION AND ACCOUNTANCY FEES

Under an Administration Agreement, the Administrator of the Company, JTC (Jersey) Limited, is entitled to receive minimum annual administration and accountancy fees of £156,000 (2017: £156,000) payable quarterly in arrears. For the period ended 30 June 2018, total administration and accountancy fees were £84,105 (1 January 2017 to 30 June 2017: £133,534, 1 January 2017 to 31 December 2017: £211,534) of which £39,000 was outstanding as at 30 June 2018 (1 January 2017 to 30 June 2017: £39,000, 1 January 2017 to 31 December 2017: £39,000).

7. DIRECTORS' FEES

	30 June 2018 £'000	**30 June 2017 £'000**	**31 December 2017 £'000**
Peter Dicks	**22**	18	40
Alexander Ohlsson	**35**	31	65
Christopher Ambler	**28**	24	50
	85	73	155

8. OTHER EXPENSES

	30 June 2018 £'000	**30 June 2017 £'000**	**31 December 2017 £'000**
Legal and professional fees	**120**	145	271
Other expenses	**147**	17	69
	267	162	340

Included within legal and professional fees is £19,750 (1 January 2017 to 30 June 2017: £6,400, 1 January 2017 to 31 December 2017: £20,500) relating to the accrual of the 2018 audit fees. There were no other fees paid to the auditors for non-audit services (1 January 2017 to 30 June 2017: £nil, 1 January 2017 to 31 December 2017: £nil).

9. EARNINGS PER ORDINARY SHARE – BASIC AND DILUTED

The basic and diluted profits per Ordinary Share for the Company are based on the profit for the period of £6,044,557 (1 January 2017 to 30 June 2017: £11,469,047, 1 January 2017 to 31 December 2017: £35,086,596) and on 449,952,091 (1 January 2017 to 30 June 2017: 377,780,949, 1 January 2017 to 31 December 2017: 398,908,689) Ordinary Shares, being the weighted average number of shares in issue during the period.

10. INTEREST RECEIVABLE

	30 June 2018 £'000	**30 June 2017 £'000**	**31 December 2017 £'000**
Interest receivable on loan notes	**65,497**	42,863	48,746

Interest receivable on shareholder loan	**3,451**	7,528	8,880
	68,948	50,391	57,626

11. TRADE AND OTHER RECEIVABLES

	30 June 2018 £'000	**30 June 2017 £'000**	**31 December 2017 £'000**
Prepaid expenses	**4**	14	16
Amounts due from subsidiaries*	**1,146**	4,694	1,146
Other receivables	**776**	805	771
	1,926	5,513	1,933

*Amounts due from subsidiaries are unsecured, interest free and repayable on demand.

12. CASH AND CASH EQUIVALENTS

	30 June 2018 £'000	**30 June 2017 £'000**	**31 December 2017 £'000**
Cash at bank	**180**	5,401	14,669
	180	5,401	14,669

13. TRADE AND OTHER PAYABLES

	30 June 2018 £'000	**30 June 2017 £'000**	**31 December 2017 £'000**
Accrued expenses	**1,342**	598	1,384
	1,342	598	1,384

14. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

The following table presents the Company's investments at fair value through profit or loss:

		30 June 2018 £'000	**30 June 2017 £'000**	**31 December 2017 £'000**
Investment in UK Hold Co	Equity	-	-	-
	Loans	**403,422**	372,092	408,464
		403,422	372,092	408,464
Book cost as at 1 January		**404,109**	273,909	273,909
Opening investment holding (losses)/ gains		**4,355**	(295)	(295)
Valuation as at 1 January		**408,464**	273,614	273,614
Movements during the period				
Purchase at cost		**4,500**	102,700	130,200
Disposal proceeds		**-**	-	-
Investment holding gains/(losses)		**(9,542)**	(4,222)	4,650
Valuation as at 30 June/ 31 December		**403,422**	372,092	408,464

Book cost as at 30 June/ 31 December		**408,609**	376,609	404,109
Closing investment holding gains		**(5,187)**	(4,517)	4,355
		403,422	372,092	408,464

The Company has one investment in Foresight Solar (UK Hold Co) Limited ("UK Hold Co"). This investment consists of both debt and equity and is not quoted in an active market. Accordingly, the investment in UK Hold Co has been valued using its net assets.

In turn, UK Hold Co has four investments in FS Holdco Limited ("FS Holdco"), FS Holdco 2 Limited ("FS Holdco 2"), FS Holdco 3 Limited ("FS Holdco 3") and FS Holdco 4 Limited ("FS Holdco 4"), and FS Holdco 2 has one investment in FS Debtco Limited ("FS Debtco"). These investments also consist of both debt and equity and are not quoted in an active market. FS Holdco is fair valued using its net asset value as reported at period end, with adjustments to its long term external debt to reflect the fact that the carrying value at amortised cost is not considered to be the best approximation of its fair value. FS Holdco 2, FS Debtco, FS Holdco 3 and FS Holdco 4 are fair valued using their net asset value as reported at period end.

In turn, FS Holdco, FS Debtco, FS Holdco 3 and FS Holdco 4's investment portfolios consist of unquoted investments in solar projects, the valuations of which are based on a discounted cash flow methodology (as set out in note 16).

Fair value hierarchy
IFRS 13 "Fair Value Measurement" requires disclosures relating to fair value measurements using a three-level fair value hierarchy. The level within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement. Assessing the significance of a particular input requires judgement, considering factors specific to the asset or liability. The following table shows investments recognised at fair value, categorised between those whose fair value is based on:

(a) Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

(b) Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

(c) Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

All investments held at fair value through profit or loss are classified as level 3 within the fair value hierarchy.

As UK Hold Co's net asset value is not considered observable market data the investment in UK Hold Co has been classified as level 3. There were no movements between levels during the period.

As at 30 June 2018:

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Unquoted investment	-	-	403,422	403,422
	-	-	403,422	403,422

As at 30 June 2017:

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Unquoted investment	-	-	372,092	372,092
	-	-	372,092	372,092

As at 31 December 2017:

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Unquoted investment	-	-	408,464	408,464
	-	-	408,464	408,464

Sensitivity Analysis

Due to the nature of the Group structure and the underlying valuation basis of UK Hold Co, FS Holdco, FS Holdco 2, FS Debtco, FS Holdco 3, FS Holdco 4 and the underlying solar project investments, the valuation of the Company's investment at fair value through profit or loss is directly linked to the valuation of the underlying solar investments. Therefore, the unobservable inputs driving the valuation of the Company's investments in UK Hold Co are directly attributable to the valuation of the unquoted investments in FS Holdco, FS Debtco, FS Holdco 3 and FS Holdco 4 which is discussed further in note 16.

15. SUBSIDIARIES AND ASSOCIATES

Details of the undertakings which the unconsolidated subsidiaries held as at 30 June 2018 are listed below:

Name	Direct or indirect holding	Country of incorporation	Principal activity	Proportion of shares and voting rights held
Foresight Solar (UK Hold Co) Limited ("UK Hold Co")	Direct	UK	Holding Company	100%
FS Holdco Limited ("FS Holdco")	Indirect	UK	Holding Company	100%
FS Holdco 2 Limited ("FS Holdco 2")	Indirect	UK	Holding Company	100%
FS Debtco Limited ("FS Debtco")	Indirect	UK	Holding Company	100%
FS Holdco 3 Limited ("FS Holdco 3")	Indirect	UK	Holding Company	100%
FS Holdco 4 Limited ("FS Holdco 4")	Indirect	UK	Holding Company	100%
FS Wymeswold Limited	Indirect	UK	SPV Holding Company	100%
FS Castle Eaton Limited	Indirect	UK	SPV Holding Company	100%
FS Pitworthy Limited	Indirect	UK	SPV Holding Company	100%
FS Highfields Limited	Indirect	UK	SPV Holding Company	100%
FS High Penn Limited	Indirect	UK	SPV Holding Company	100%
FS Hunter's Race Limited	Indirect	UK	SPV Holding Company	100%
FS Spriggs Limited	Indirect	UK	SPV Holding Company	100%
FS Bournemouth Limited	Indirect	UK	SPV Holding Company	100%
FS Landmead Limited	Indirect	UK	SPV Holding Company	100%
FS Kencot Limited	Indirect	UK	SPV Holding Company	100%

FS Copley Limited	Indirect	UK	SPV Holding Company	100%
FS Port Farms Solar Limited	Indirect	UK	SPV Holding Company	100%
FS Membury Limited	Indirect	UK	SPV Holding Company	100%
FS Southam Solar Limited	Indirect	UK	SPV Holding Company	100%
FS Atherstone Solar Limited	Indirect	UK	SPV Holding Company	100%
FS Paddock Wood Solar Farm Limited	Indirect	UK	SPV Holding Company	100%
Atherstone Hold Co Limited	Indirect	UK	SPV Holding Company	100%
Southam Hold Co Limited	Indirect	UK	SPV Holding Company	100%
Paddock Wood Hold Co Limited	Indirect	UK	SPV Holding Company	100%
FS Shotwick Limited	Indirect	UK	SPV Holding Company	100%
FS Sandridge Limited	Indirect	UK	SPV Holding Company	100%
FS Wally Corner Limited	Indirect	UK	SPV Holding Company	100%
Foresight Bannerton Pty Limited	Indirect	UK	SPV Holding Company	48.50%
Wymeswold Solar Farm Limited (“Wymeswold”)	Indirect	UK	Investment	100%
Castle Eaton Solar Farm Limited (“Castle Eaton”)	Indirect	UK	Investment	100%
Pitworthy Solar Farm Limited (“Pitworthy “)	Indirect	UK	Investment	100%
Highfields Solar Farm Limited (“Highfields”)	Indirect	UK	Investment	100%
High Penn Solar Farm Limited (“High Penn “)	Indirect	UK	Investment	100%
Hunter’s Race Solar Farm Limited (“Hunter’s Race”)	Indirect	UK	Investment	100%
Spriggs Solar Farm Limited (“Spriggs “)	Indirect	UK	Investment	100%
Bournemouth Solar Farm Limited (“Bournemouth”)	Indirect	UK	Investment	100%
Landmead Solar Farm Limited (“Landmead”)	Indirect	UK	Investment	100%
Kencot Hill Solar Farm Limited (“Kencot”)	Indirect	UK	Investment	100%
Copley Solar Limited (“Copley”)	Indirect	UK	Investment	100%
Port Farms Solar Limited (Port Farm”)	Indirect	UK	Investment	100%
Membury Solar Limited (“Membury”)	Indirect	UK	Investment	100%
Atherstone Solar Farm Ltd (“Atherstone”)	Indirect	UK	Investment	100%
Southam Solar Farm Ltd (“Southam”)	Indirect	UK	Investment	100%
Paddock Wood Solar Farm Ltd (“Paddock Wood”)	Indirect	UK	Investment	100%
Shotwick Solar Limited (“Shotwick Solar”)	Indirect	UK	Investment	100%
Sandridge Solar Power Limited (“Sandridge”)	Indirect	UK	Investment	100%
SSR Wally Corner Limited (“SSR Wally”)	Indirect	UK	Investment	100%

Foresight Solar Australia Pty Limited	Indirect	Australia	Investment	100%
Longreach Asset Company Pty Limited	Indirect	Australia	Investment	49%
Oakey 1 Asset Company Pty Limited	Indirect	Australia	Investment	49%
RE Oakey Pty Limited	Indirect	Australia	Investment	100%
Second Generation Yardwall Limited ("Yardwall")	Indirect	UK	Investment	100%
Second Generation Verwood Limited ("Verwood")	Indirect	UK	Investment	100%
Second Generation Park Farm Limited ("Park Farm")	Indirect	UK	Investment	100%
Second Generation Coombeshead Limited ("Coombeshead")	Indirect	UK	Investment	100%
Second Generation Sawmills Limited ("Sawmills")	Indirect	UK	Investment	100%
Second Generation Bottonnett Limited ("Bottonnett")	Indirect	UK	Investment	100%

16. INTERESTS IN UNCONSOLIDATED STRUCTURED ENTITIES

Period ended 30 June 2018

The following table represents the fair values of the investments held by FS Holdco Limited as required by IFRS12.

	Cost at 1 January 2018 £'000	Additions/ (Disposals) £'000	Cost as at 30 June 2018 £'000	Unrealised gain/(loss) as at 1 January 2018 £'000	Movement on unrealised gain/(loss) £'000	Unrealised gain/(loss) as at 30 June 2018 £'000	Fair value as at 30 June 2018 £'000
Wymeswold	48,590	-	48,590	(272)	433	161	48,751
Castle Eaton	21,630	-	21,630	(835)	28	(807)	20,823
Pitworthy	18,210	-	18,210	(1,582)	(117)	(1,699)	16,511
Highfields	14,300	-	14,300	(726)	(91)	(817)	13,483
High Penn	11,310	-	11,310	(804)	(145)	(949)	10,361
Hunter's Race	13,160	-	13,160	389	135	524	13,684
Spriggs	14,580	-	14,580	(699)	52	(647)	13,933
Bournemouth	50,060	-	50,060	364	112	476	50,536
Landmead	51,580	-	51,580	(3,096)	(77)	(3,173)	48,407
Kencot	47,210	-	47,210	(2,151)	74	(2,077)	45,133
Copley	35,670	-	35,670	1,390	92	1,482	37,152
Paddock Wood	10,621	-	10,621	553	(71)	482	11,103
Atherstone	16,004	-	16,004	(321)	(113)	(434)	15,570
Southam	11,145	-	11,145	115	(63)	52	11,197
Port Farms	44,215	-	44,215	92	(14)	78	44,293

Membury	21,160	-	21,160	(460)	(9)	(469)	20,691
	429,445	**-**	**429,445**	**(8,043)**	**226**	**(7,817)**	**421,628**

The above individual project valuations do not include a (£6,200,517) adjustment (30 June 2017: £Nil, 31 December 2017: (£5,010,200)) relating to future tax payments which will be settled at the Fund level.

Comparatives for the periods ended 30 June 2017 and 31 December 2017 are shown on pages 57 and 58.

Period ended 30 June 2018
The following table represents the fair values of the investments held by FS Debtco Limited as required by IFRS12.

	Cost at 1 January 2018 £'000	Additions / (Disposals) £'000	Cost as at 30 June 2018 £'000	Unrealised gain/(loss) as at 1 January 2018 £'000	Movement on unrealised gain/(loss) £'000	Unrealised gain/(loss) as at 30 June 2018 £'000	Fair value as at 30 June 2018 £'000
Shotwick Solar	74,894	-	74,894	9,696	(429)	9,267	84,161
Sandridge Solar Power	57,046	-	57,046	959	(415)	544	57,590
SSR Wally Corner	5,718	-	5,718	41	(26)	15	5,733
	137,658	**-**	**137,658**	**10,696**	**(870)**	**9,826**	**147,484**

Period ended 30 June 2018
The following table represents the fair values of the investments held by FS Holdco 3 Limited as required by IFRS12.

	Cost at 1 January 2018 £'000	Additions / (Disposals) £'000	Cost as at 30 June 2018 £'000	Unrealised gain/(loss) as at 1 January 2018 £'000	Movement on unrealised gain/(loss) £'000	Unrealised gain/(loss) as at 30 June 2018 £'000	Fair value as at 30 June 2018 £'000
Yardwall	-	2,530	2,530	-	35	35	2,565
Verwood	-	14,110	14,110	-	(122)	(122)	13,988
Park Farm	-	8,180	8,180	-	(111)	(111)	8,069
Coombes head	-	7,240	7,240	-	(98)	(98)	7,142
Sawmills	-	4,530	4,530	-	(61)	(61)	4,469
	-	**36,590**	**36,590**	**-**	**(357)**	**(357)**	**36,233**

Period ended 30 June 2018
The following table represents the fair values of the investments held by FS Holdco 4 Limited as required by IFRS12.

	Cost at 1 January 2018 £'000	Adjusted Cost at 1 January 2018 £'000	Additions / (Disposals) £'000	Cost as at 30 June 2018 £'000	Unrealised gain/(loss) as at 1 January 2018 £'000	Movement on unrealised gain/(loss) £'000	Unrealised gain/(loss) as at 30 June 2018 £'000	Fair value as at 30 June 2018 £'000
Bannerton Solar Farm	12,482	12,482	10,400	22,882	-	-	-	22,882
Longreach	5,218	2,613	37	2,650	-	370	370	3,020
Oakey 1	7,842	4,306	61	4,367	80*	(80)	-	4,367
Oakey 2	15,910	22,051	3,552	25,603	120*	(120)	-	25,603
	41,452	**41,452**	**14,050**	**55,502**	**200**	**170**	**370**	**55,872**

Period ended 30 June 2017
The following table represents the fair values of the investments held by FS Holdco Limited as required by IFRS12.

	Cost at 1 January 2017 £'000	Additions / (Disposals) £'000	Cost as at 30 June 2017 £'000	Unrealised gain/(loss) as at 1 January 2017 £'000	Movement on unrealised gain/(loss) £'000	Unrealised gain/(loss) as at 30 June 2017 £'000	Fair value as at 30 June 2017 £'000
Wymeswold	48,590	-	48,590	1,510	(100)	1,410	50,000
Castle Eaton	21,630	-	21,630	270	(600)	(330)	21,300
Pitworthy	18,210	-	18,210	90	(500)	(410)	17,800
Highfields	14,300	-	14,300	700	(400)	300	14,600
High Penn	11,310	-	11,310	690	(300)	390	11,700
Hunter's Race	13,160	-	13,160	340	(100)	240	13,400
Spriggs	14,580	-	14,580	220	(200)	20	14,600
Bournemouth	50,060	-	50,060	1,240	(1,200)	40	50,100
Landmead	51,580	-	51,580	2,520	(1,500)	1,020	52,600
Kencot	47,210	-	47,210	1,790	(600)	1,190	48,400
Copley	35,670	-	35,670	2,330	(500)	1,830	37,500
Paddock Wood	10,621	-	10,621	879	(100)	779	11,400
Atherstone	16,004	-	16,004	596	(300)	296	16,300
Southam	11,145	-	11,145	655	(100)	555	11,700
Port Farms	44,215	-	44,215	1,785	(1,200)	585	44,800
Membury	21,160	-	21,160	740	(300)	440	21,600
	429,445	**-**	**429,445**	**16,355**	**(8,000)**	**8,355**	**437,800**

Period ended 30 June 2017
The following table represents the fair values of the investments held by FS Debtco Limited as required by IFRS12.

	Cost at 1 January 2017 £'000	Additions / (Disposals) £'000	Cost as at 30 June 2017 £'000	Unrealised gain/(loss) as at 1 January 2017 £'000	Movement on unrealised gain/(loss) £'000	Unrealised gain/(loss) as at 30 June 2017 £'000	Fair value as at 30 June 2017 £'000
Shotwick Solar	-	75,517	75,517	-	11,083	11,083	86,600
Sandridge Solar Power	-	57,748	57,748	-	552	552	58,300
	-	**133,265**	**133,265**	**-**	**11,635**	**11,635**	**144,900**

As at 30 June 2017, there had been no activities in FS Holdco 3 and FS Holdco 4.

Year ended 31 December 2017

The following table represents the fair values of the investments held by FS Holdco Limited as required by IFRS12.

	Cost at 1 January 2017 £'000	Additions / (Disposals) £'000	Cost as at 31 December 2017 £'000	Unrealised gain/(loss) as at 1 January 2017 £'000	Movement on unrealised gain/(loss) £'000	Unrealised gain/(loss) as at 31 December 2017 £'000	Fair value as at 31 December 2017 £'000
Wymeswold	48,590	-	48,590	1,510	(1,782)	(272)	48,318
Castle Eaton	21,630	-	21,630	270	(1,105)	(835)	20,795
Pitworthy	18,210	-	18,210	90	(1,672)	(1,582)	16,628
Highfields	14,300	-	14,300	700	(1,426)	(726)	13,574
High Penn	11,310	-	11,310	690	(1,494)	(804)	10,506
Hunter's Race	13,160	-	13,160	340	49	389	13,549
Spriggs	14,580	-	14,580	220	(919)	(699)	13,881
Bournemouth	50,060	-	50,060	1,240	(876)	364	50,424
Landmead	51,580	-	51,580	2,520	(5,616)	(3,096)	48,484
Kencot	47,210	-	47,210	1,790	(3,941)	(2,151)	45,059
Copley	35,670	-	35,670	2,330	(940)	1,390	37,060
Paddock Wood	10,621	-	10,621	879	(326)	553	11,174
Atherstone	16,004	-	16,004	596	(917)	(321)	15,683
Southam	11,145	-	11,145	655	(540)	115	11,260
Port Farms	44,215	-	44,215	1,785	(1,693)	92	44,307
Membury	21,160	-	21,160	740	(1,200)	(460)	20,700
	429,445	**-**	**429,445**	**16,355**	**(24,398)**	**(8,043)**	**421,402**

The above individual project valuations do not include a (£5,010,200) adjustment relating to future tax payments which will be settled at the Fund level.

Year ended 31 December 2017
The following table represents the fair values of the investments held by FS Debtco Limited as required by IFRS12.

	Cost at 1 January 2017 £'000	Additions / (Disposals) £'000	Cost as at 31 December 2017 £'000	Unrealised gain/(loss) as at 1 January 2017 £'000	Movement on unrealised gain/(loss) £'000	Unrealised gain/(loss) as at 31 December 2017 £'000	Fair value as at 31 December 2017 £'000
Shotwick Solar	-	74,894	74,894	-	9,696	9,696	84,590
Sandridge Solar Power	-	57,046	57,046	-	959	959	58,005
SSR Wally Corner	-	5,718	5,718	-	41	41	5,759
	-	**137,658**	**137,658**	**-**	**10,696**	**10,696**	**148,354**

As at 31 December 2017, there had been no activities in FS Holdco 3.

Year ended 31 December 2017
The following table represents the fair values of the investments held by FS Holdco 4 Limited as required by IFRS12.

	Cost at 1 January 2017 £'000	Additions / (Disposals) £'000	Cost as at 31 December 2017 £'000	Unrealised gain/(loss) as at 1 January 2017 £'000	Movement on unrealised gain/(loss) £'000	Unrealised gain/(loss) as at 31 December 2017 £'000	Fair value as at 31 December 2017 £'000
Bannerton Solar Farm	-	12,482	12,482	-	-	-	12,482
Longreach	-	5,218	5,218	-	-	-	5,218
Oakey 1	-	7,842	7,842	-	80*	80*	7,922
Oakey 2	-	15,910	15,910	-	120*	120*	16,030
	-	**41,452**	**41,452**	**-**	**200**	**200**	**41,652**

*This relates to FX gain on translation from AUD to GBP at 31 December 2017.

17. FAIR VALUE OF THE INVESTMENTS IN UNCONSOLIDATED ENTITIES

Valuation process

Valuations are the responsibility of the Board of Directors. The Investment Manager is responsible for submitting fair market valuations of Group assets to the Directors. The Directors review and approve these valuations following appropriate challenge and examination. Valuations are carried out quarterly. The current portfolio consists of non-market traded investments and valuations are based on a discounted cash flow methodology. The Investment Manager's assessment of fair value of investments is determined in accordance with the International Private Equity and Venture Capital Valuation Guidelines ("IPEVC"), using levered and unlevered Discounted Cash Flow principles. The Investment Manager and Directors consider that the discounted cash flow methodology used in deriving a fair value is in accordance with the fair value requirements of IFRS 13. The investments held by FS Holdco 4 were valued at cost as at 30 June 2018 as these projects were not yet operational, and are therefore not included in the sensitivity analysis on the following pages.

Sensitivity analysis of significant changes in unobservable inputs within Level hierarchy of underlying Investments

The Company's investments (indirectly held through its unconsolidated subsidiaries FS Holdco, FS Holdco 2 and FS Holdco 3) are valued with reference to the discounted value of future cash flows. The Directors consider the valuation methodology used, including the key assumptions and discount rate applied, to be appropriate. The Board review, at least annually, the valuation inputs and where possible, make use of observable market data to ensure valuations reflect the fair value of the investments. A broad range of assumptions are used in the valuation models. These assumptions are based on long-term forecasts and are not affected by short term fluctuations in inputs, be it economic or technical.

The Directors consider the following assumptions to be significant inputs to the DCF calculation. The valuation of the Company's investments is determined based on the discounted value of future cash flows of those investments over their useful economic lives ("UELs").

The UEL of individual assets is determined by reference to a fixed contractual lease term, and therefore, the Board and Manager do not consider that the UEL is an unobservable input or assumption that can have a significant impact on the valuation of the investments.

However, the Board notes that if extended contractual lease terms were negotiated for individual assets, this would increase the value of those assets. Similarly, if the assets did not operate for the duration of the fixed contractual period, this would reduce the value of those assets.

Discount rate

The weighted average discount rate used is 7.60%. The Directors do not expect to see a significant change in the discount rates applied within the Solar Infrastructure sector. Therefore a variance of +/- 0.5% is considered reasonable.

	-0.50%	**-0.25%**	**Base**	**+0.25%**	**+0.50%**
Directors' valuation (£m)	662.3	648.8	**635.7**	**623.1**	**610.8**
NAV per share (pence)	**111.1**	**108.1**	**105.2**	**102.3**	**99.6**
Change vs Base Case (%)	4.18	2.06	**0.00**	**(1.99)**	**(3.92)**

Production

Base case production is a function of a number of separate assumptions including irradiation levels, availability of the sites and technical performance of the equipment. A sensitivity of +/- 10% is considered reasonable given stable levels of irradiation, contractual availability guarantees and understanding of future performance levels of the equipment.

	-10%	Base	+10%
Directors' valuation (£m)	558.6	**635.7**	711.9
NAV per share (pence)	**88.0**	**105.2**	**122.1**
Change vs Base Case (%)	(12.13)	**0.00**	11.98

Power Price

DCF models assume power prices that are consistent with the Power Purchase Agreements ("PPA") currently in place. At the PPA end date, the model reverts to the power price forecast.

During the period c. 47% of revenue derived from electricity sales which are subject to power price movements. The remaining c. 53% of the Company's operational performance came from subsidies.

The power price forecasts are updated quarterly and based on power price forecasts from leading independent sources. The Investment Manager applies expected PPA sales discounts to the applicable forecast. The forecast assumes an average annual increase in power prices in real terms of approximately 1.1%.

	-20.0%	-10.0%	Base	+10.0%	+20.0%
Directors' valuation (£m)	562.4	599.3	**635.7**	**672.0**	**708.2**
NAV per share (pence)	**88.9**	**97.1**	**105.2**	**113.2**	**121.3**
Change vs Base Case (%)	(11.53)	(5.73)	**0.00**	**5.70**	**11.40**

Inflation

A variable of 1.5% is considered reasonable given historic fluctuations. A long term inflation rate of 2.75% has been used.

	-1.50%	-0.75%	Base	+0.75%	+1.50%
Directors' valuation (£m)	565.5	599.3	**635.7**	**675.3**	**718.6**
NAV per share (pence)	**89.5**	**97.1**	**105.2**	**114.0**	**123.6**
Change vs Base Case (%)	(11.04)	(5.72)	**0.00**	**6.23**	**13.04**

Operating costs (investment level)

Operating costs include operating and maintenance ("O&M"), insurance and lease costs. Other costs are fixed and are therefore not considered to be sensitive to changes in unobservable inputs. Base case costs are based on current commercial agreements. We would not expect these costs to fluctuate widely over the life of the assets and are comfortable that the base case is prudent. A variance of +/- 5.0% is considered reasonable, a variable of 10.0% is shown for information purposes.

	-10.0%	-5.0%	Base	+5.0%	+10.0%
Directors' valuation (£m)	646.2	641.0	**635.7**	**630.5**	**625.2**
NAV per share (pence)	**107.5**	**106.3**	**105.2**	**104.0**	**102.8**
Change vs Base Case (%)	1.65	0.82	**0.00**	**(0.82)**	**(1.65)**

AUD/GBP Exchange Rate

Due to level of investment in Australia and exposure to AUD, the NAV may be sensitive to changes in the sterling exchange rate. A variance of +/- 20% is considered reasonable and illustrates potential impact below:

	-20.0%	-10.0%	Base	+10.0%	+20.0%
Directors' valuation (£m)	626.4	630.6	**635.7**	**641.3**	**646.9**
NAV per share (pence)	**103.1**	**104.0**	**105.2**	**106.4**	**107.6**
Change vs Base Case (%)	(1.46)	(0.80)	**0.00**	**0.88**	**1.76**

18. STATED CAPITAL

The stated capital of the Company consists solely of Ordinary Shares of nil par value and therefore the value of the stated capital relates only to share premium. At any General Meeting of the Company each shareholder will have, on a show of hands, one vote and on a poll one vote in respect of each Ordinary Share held. Stated capital is the net proceeds received from the issue of Ordinary Shares (net of issue costs capitalised).

Ordinary Shares

	30 June 2018 Shares	**30 June 2017 Shares**	**31 December 2017 Shares**
Opening balance	**449,952,091**	340,950,912	340,950,912
Issued during the period	-	72,850,624	109,001,179
Repurchased and held in Treasury	-	-	-
Closing balance	**449,952,091**	413,801,536	449,952,091

	30 June 2018 £'000	**30 June 2017 £'000**	**31 December 2017 £'000**
Opening balance	**454,515**	339,003	339,003
Proceeds from share issue	-	78,497	117,539
Less: issue costs	-	(1,523)	(2,027)
Closing balance	**454,515**	415,977	454,515

19. NAV PER ORDINARY SHARE

The Net Asset Value ("NAV") per redeemable Ordinary Share for the Company is based on the Net Asset Value at the reporting date of £473,133,573 (30 June 2017: £432,798,841, 31 December 2017: £481,307,486) and on 449,952,091 (30 June 2017: 413,801,536, 31 December 2017: 449,952,091) redeemable Ordinary Shares, being the number of Ordinary Shares in issue at the end of the period.

20. FINANCIAL INSTRUMENTS AND RISK PROFILE

The Company holds cash and liquid resources as well as having receivables and payables that arise directly from its operations. The underlying investments of the Company's investment activities indirectly expose it to various types of risk associated with solar power. The main risks arising from the Company's financial instruments are market risk, liquidity risk, credit risk and interest rate risk. The Directors regulatory review and agree policies for managing each of these risks and these are summarised below:

20.1 Market risk

(a) Foreign exchange risk

Foreign currency risk, as defined in IFRS 7, arises as the values of recognised monetary assets and monetary liabilities denominated in other currencies fluctuate due to changes in foreign exchange rates. Transactions in foreign currency are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to pounds sterling at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in income.

The Company has no direct exposure to foreign currency risk, however through its underlying investment in Australian assets via FS Holdco 4 it has indirect exposure. FS Holdco 4 is directly exposed to fluctuations in foreign currency due to its investments in Australian dollar denominated assets. The Group mitigates its exposure to fluctuations in foreign currency through the use of forward exchange contracts.

The carrying amount of FS Holdco 4's foreign currency exposure at the reporting date is as follows:

	30 June 2018 £'000	**30 June 2017 £'000**	**31 December 2017 £'000**
AUD	**55,872**	N/A	41,652

The FX rate applied at 30 June 2018 0.56 (30 June 2017: n/a, 31 December 2017: 0.58). A 10% weakening or strengthening of the FX rate would have a £5,587,200 impact on the valuation of assets denominated in AUD.

(b) Price risk

The Company's investments are susceptible to market price risk arising from uncertainties about future values of the instruments. The Board's Investment Manager provides the Company with investment recommendations. The Board's Investment Manager's recommendations are reviewed and approved by the Investment Manager before the investment decisions are implemented. To manage the market price risk, the Board's Investment Manager reviews the performance of the investments on a regular basis and is in regular contact with the management of the non current investments for business and operational matters.

Price risk is the risk that the fair value or cash flows of a financial instrument will fluctuate due to changes in market prices. At 30 June 2018, the Company's only investment was valued at net assets excluding the outstanding loans issued by the Company. Were this value to increase by 10%, the increase in net assets attributable to shareholders for the period would have been £40,342,170 (30 June 2017: £37,209,200, 31 December 2017: £40,846,400). The impact of changes in unobservable inputs to the underlying investments is considered in note 16.

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term borrowing to its subsidiary. At period end the Company had no long term borrowings with third parties (1 January 2017 to 30 June 2017: £Nil, 1 January 2017 to 31 December 2017: £Nil).

	Total portfolio 30 June 2018 £'000	Weighted average interest rate 30 June 2018 %	Weighted average time for which rate is fixed 30 June 2018 Days
Loan notes	**250,000**	11.00%	234
Shareholder loans	**158,610**	2.00%	741
Cash	**180**	-	-
	408,790		

	Total portfolio 30 June 2017 £'000	**Weighted average interest rate 30 June 2017 %**	**Weighted average time for which rate is fixed 30 June 2017 Days**
Loan notes	250,000	11.00%	599
Shareholder loans	126,610	5.50%	1,106
Cash	5,401	-	-
	382,011		

	Total portfolio 31 December 2017 £'000	**Weighted average interest rate 31 December 2017 %**	**Weighted average time for which rate is fixed 31 December 2017 Days**
Loan notes	250,000	11.00%	415
Shareholder loans	154,110	4.30%	922
Cash	14,669	-	-
	418,779		

20.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due as a result of the maturity of assets and liabilities not matching. An unmatched position potentially enhances profitability, but can also increase the risk of losses. Liquidity could be impaired by an inability to access secured and/or unsecured sources of financing to meet financial commitments. The Board monitors the Company's liquidity requirements to ensure there is sufficient cash to meet the Company's operating needs.

30 June 2018

	Carrying amount £'000	Contractual Total £'000	Less than 6 months £'000	6 to 12 Months £'000	Greater than 12 months £'000
Financial Assets					
Investments	403,422	403,422	-	-	403,422
Trade and other Receivables	1,926	1,926	1,926	-	-
Interest receivable	68,948	68,948	68,948	-	-
Cash and cash equivalents	**180**	**180**	**180**	**-**	**-**
Total Financial assets	474,476	474,476	71,054	-	403,422
Trade and other payables	(1,342)	(1,342)	(1,342)	-	-
Total financial liabilities	**(1,342)**	**(1,342)**	**(1,342)**	**-**	**-**
Net position	**473,134**	**473,134**	**69,712**	**-**	**403,422**

30 June 2017

	Carrying amount £'000	**Contractual Total £'000**	**Less than 6 months £'000**	**6 to 12 Months £'000**	**Greater than 12 months £'000**
Financial Assets					
Investments	372,092	372,092	-	-	372,092
Trade and other Receivables	5,513	5,513	5,513	-	-
Interest receivable	50,391	50,391	50,391	-	-
Cash and cash equivalents	5,401	5,401	5,401	-	-
Total Financial assets	**433,397**	**433,397**	**61,305**	**-**	**372,092**
Trade and other payables	(598)	(598)	(598)	-	-
Total financial liabilities	(598)	(598)	(598)	-	-
Net position	432,799	432,799	60,707	-	372,092

31 December 2017

	Carrying amount £'000	**Contractual Total £'000**	**Less than 6 months £'000**	**6 to 12 Months £'000**	**Greater than 12 months £'000**
Financial Assets					

Investments	408,464	408,464	-	-	408,464
Trade and other Receivables	1,933	1,933	1,933	-	-
Interest receivable	57,626	57,626	57,626	-	-
Cash and cash equivalents	14,669	14,669	14,669	-	-
Total Financial assets	**482,692**	**482,692**	**74,228**	**-**	**408,464**
Trade and other payables	(1,384)	(1,384)	(1,384)	-	-
Total financial liabilities	(1,384)	(1,384)	(1,384)	-	-
Net position	481,308	481,308	72,844	-	408,464

20.3 Credit risk

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

The Company places cash with authorised deposit takers and is therefore potentially at risk from the failure of such institutions.

In respect of credit risk arising from other financial assets and liabilities, which mainly comprise of cash and cash equivalents, exposure to credit risk arises from default of the counterparty with a maximum exposure equal to the carrying amounts of these instruments. In order to mitigate such risks, cash is maintained with major international financial institutions. During the period and at the reporting date, the Company maintained relationships with the following financial institutions:

	Moody's Credit Rating	30 June 2018 £'000
Cash in hand:		
Royal Bank of Scotland International Limited	**P2**	**10**
Lloyds Bank International Limited	**P1**	**170**
Total Company cash balances held by banks		**180**

	Moody's Credit Rating	**30 June 2017 £'000**
Cash in hand:		
Royal Bank of Scotland International Limited	P2	24
Lloyds Bank International Limited	P1	5,377
Total Company cash balances held by banks		5,401

	Moody's Credit Rating	**31 December 2017 £'000**
Cash in hand:		
Royal Bank of Scotland International Limited	P2	14,659
Lloyds Bank International Limited	P1	10
Total Company cash balances held by banks		14,669

20.4 Other risks

Political and economic risk

The value of Ordinary Shares may be affected by uncertainties such as political or diplomatic developments, social and religious instability, changes in government policies, taxation or interest rates, currency repatriation and other political and economic developments in law or regulations and, in particular, the risk of expropriation, nationalisation, and confiscation of assets and changes in legislation relating to the level of foreign ownership.

Governmental authorities at all levels are actively involved in the promulgation and enforcement of regulations relating to taxation, land use and zoning and planning restrictions, environmental protection, safety and other matters. The introduction and enforcement of such regulations could have the effect of increasing the expense and lowering the income or rate of return from, as well as adversely affecting the value of, the Company's assets.

21. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares (up to its authorised number of shares) or sell assets to reduce debt.

22. DIVIDENDS

Dividends paid during the period comprise an interim dividend in respect of quarter 1 (1 January 2018 to 31 March 2018) of £7,109,243 (1.58 pence per Ordinary Share) (2017: £6,413,924, 1.58 pence per Ordinary Share) and quarter 2 (1 April 2018 to 30 June 2018) of £7,109,243 (1.58 pence per Ordinary Share) (2017: £6,538,064, 1.58 pence per Ordinary Share).

23. RELATED PARTY DISCLOSURES

For the purposes of these Financial Statements, a related party is an entity or entities who are able to exercise significant influence directly or indirectly on the Company's operations.

As noted in Note 2, the Company does not consolidate its subsidiary. However, the Company and its subsidiaries (direct and indirect) are a Group and therefore, are considered to be related parties.

Transactions with UK Hold Co

During the period the Company issued no additional Loan Notes to UK Hold Co (1 January 2017 to 30 June 2017: £Nil, 1 January 2017 to 31 December 2017: £Nil), thus the total issued to UK Hold Co remained at £250,000,000 (30 June 2017: £250,000,000, 31 December 2017: £250,000,000), on which interest of £16,750,732 accrued during the period (1 January 2017 to 30 June 2017: £15,549,068, 1 January 2017 to 31 December 2017: £32,245,925). As at the reporting date interest of £65,496,400 was receivable (30 June 2017: £42,863,304, 31 December 2017: £48,745,653).

On 30 June 2018 the Company issued an additional £4,500,000 shareholder loan to UK Hold Co. As at the reporting date, the Company had increased its shareholders loan receivable from UK Hold Co to £158,609,725 (30 June 2017: £126,609,725, 31 December 2017: £154,109,725). Total interest of £1,571,111 accrued for the period (30 June 2017: £1,797,936, 31 December 2017:

£3,150,225). As at reporting date interest of £3,451,175 was receivable (30 June 2017: £7,527,776, 31 December 2017: £8,880,064).

Transactions between UK Hold Co and FS Holdco
As at the reporting date, FS Holdco had a non-interest bearing loan receivable from UK Holdco totalling £143,503,500 (30 June 2017: £143,503,500, 31 December 2017: £143,503,500) and an interest bearing loan payable to UK Hold Co of £343,730,873 (30 June 2017: £343,730,873, 31 December 2017: £343,730,873). Total interest of £13,636,198 (1 January 2017 to 30 June 2017: £13,560,859, 1 January 2017 to 31 December 2017: £27,121,719) accrued to UK Hold Co during the period of which £51,347,559 (30 June 2017: £34,072,582, 31 December 2017: £37,711,361) remained payable by FS Holdco at period end.

On 19 June 2018, a £40,000,000 loan was issued to FS Holdco by UK Hold Co at an interest rate of 5% per annum. Total interest of £394,520 accrued for the period, all of which was outstanding at period end.

Transactions between UK Hold Co and FS Holdco 2
As at the reporting date, UK Hold Co had an interest bearing loan receivable from FS Holdco 2 totalling £74,893,885 (30 June 2017: £74,893,885, 31 December 2017: £74,893,885), on which interest of £1,856,958 accrued during the period (1 January 2017 to 30 June 2017: £1,333,727, 1 January 2017 to 31 December 2017: £3,221,463). As at the reporting date total interest of £1,856,958 (30 June 2017: £1,333,727, 31 December 2017: £3,221,463) was receivable.

As at the reporting date UK Hold Co had an interest bearing loan payable to FS Holdco 2 totalling £28,970,000 (30 June 2017: £nil, 31 December 2017: £28,970,000), on which interest of £718,297 (1 January 2017 to 30 June 2017: £nil, 1 January 2017 to 31 December 2017: £nil) accrued during the period.

As at the reporting date UK Hold Co also had an interest bearing loan payable to FS Holdco 2 totalling £13,000,000 (30 June 2017: £nil, 31 December 2017: £13,000,000), on which interest of £322,329 (1 January 2017 to 30 June 2017: £nil, 1 January 2017 to 31 December 2017: £169,178) was accrued during the period.

Transactions between UK Hold Co and FS Holdco 3
As at the reporting date UK Hold Co had an interest bearing loan receivable from FS Holdco 3 totalling £10,380,000 (30 June 2017: £nil, 31 December 2017: £nil), on which interest of £123,707 (30 June 2017: £nil, 31 December 2017: £nil) was accrued during the period.

On 19 June 2018, a £36,123,745 loan was issued to FS Holdco 3 by UK Hold Co at an interest rate of 5% per annum. Total interest of £356,288 accrued for the period, all of which was outstanding at period end.

Transactions between UK Hold Co and FS Holdco 4
As at the reporting date UK Hold Co had an interest bearing loan receivable from FS Holdco 4 totalling £28,970,000 (30 June 2017: £nil, 31 December 2017: £28,970,000), on which interest of £718,297 (30 June 2017: £nil, 31 December 2017: £nil) was accrued during the period.

As at the reporting date UK Hold Co also had non interest bearing loans receivable from FS Holdco 4 totalling £12,481,519 (30 June 2017: £nil, 31 December 2017: £12,481,519), on which interest of £309,473 (1 January 2017 to 30 June 2017: £nil, 1 January 2017 to 31 December 2017: £162,430) was accrued during the period.

Transactions between UK Hold Co and FS Debtco
As at the reporting date UK Hold Co had an interest bearing loan receivable from FS Debtco totalling £55,000,000 (30 June 2017: £nil, 31 December 2017: £55,000,000) on which interest

of £1,363,699 (1 January 2017 to 30 June 2017: £nil, 1 January 2017 to 31 December 2017: £2,019,178) accrued during the period.

Transactions between FS Holdco, FS Debtco 2, FS Holdco 4 and their SPVs
All of the SPVs are cash generating solar farms. On occasion revenues are received and expenses are paid on their behalf by FS Holdco, FS Debtco and FS Holdco 4. All of these transactions are related party transactions. FS Holdco made the following net transactions on behalf of SPVs during the period and had the following net amounts payable or receivable at period end (none payable and receivable to FS Debtco or FS Holdco 4):

All of the SPVs are cash generating solar farms. On occasion revenues received and expenses are paid on their behalf by FS Holdco. All of these transactions are related parties. At period end, the following SPVs had amounts payable and receivable to FS Holdco:

	Opening Balance receivable/ (payable) 1 January 2018 £'000	Amounts paid on behalf of SPV 2018 £'000	Amounts received from SPV 2018 £'000	Net amount (payable)/ receivable as at 30 June 2018 £'000
Atherstone	-	185	(185)	-
Bournemouth	-	1,120	(1,120)	-
Castle Eaton	(2,200)	3,006	(806)	-
Copley	-	686	(686)	-
High Penn	(1,186)	1,683	(497)	-
Highfields	(1,551)	2,017	(456)	10
Hunters Race	-	275	(275)	-
Kencot	(1,567)	1,967	(1,240)	(840)
Landmead	(142)	465	(323)	-
Membury	(610)	1,041	(1,782)	(1,351)
Paddock Wood	-	194	(194)	-
Pitworthy	(1,874)	2,784	(513)	397
Port Farms	-	2,635	(3,225)	(590)
Southam	-	209	(209)	-
Spriggs	(818)	1,104	(286)	-
Wymeswold	(1,489)	2,039	(1,670)	(1,120)
	(11,437)	21,410	(13,467)	(3,494)

	Opening Balance receivable/ (payable) 1 January 2017 £'000	Amounts paid on behalf of SPV 2017 £'000	Amounts received from SPV 2017 £'000	Net amount (payable)/ receivable as at 31 December 2017 £'000
Atherstone	-	1,323	(1,323)	-
Bournemouth	-	3,699	(3,699)	-
Castle Eaton	-	1,572	(3,772)	(2,200)
Copley	116	3,214	(3,330)	-
High Penn	-	741	(1,927)	(1,186)
Highfields	-	1,031	(2,582)	(1,551)
Hunters Race	-	931	(931)	-
Kencot	(293)	2,412	(3,686)	(1,567)
Landmead	-	4,032	(4,174)	(142)
Membury	(758)	1,564	(1,416)	(610)
Paddock Wood	-	854	(854)	-
Pitworthy	-	989	(2,863)	(1,874)
Port Farms	-	2,843	(2,843)	-
Southam	-	890	(890)	-

Spriggs	-	1,052	(1,870)	(818)
Wymeswold	-	3,736	(5,225)	(1,489)
	(935)	30,883	(41,385)	(11,437)

24. TRANSACTIONS WITH THE MANAGER

Foresight Group CI Limited, acting as investment manager to the Group in respect of its investments, earned fees of £2,299,044 during the period (1 January 2017 to 30 June 2017: £1,306,418, 1 January 2017 to 31 December 2017: £4,276,808), of which £1,341,858 was outstanding as at 30 June 2018 (1 January 2017 to 30 June 2017: £498,574, 1 January 2017 to 31 December 2017: £1,257,741).

Foresight Group CI Limited charged fees to FS Holdco, FS Holdco 2, FS Debtco, FS Holdco 3 and FS Holdco 4 of £Nil (1 January 2017 to 30 June 2017: £Nil, 1 January 2017 to 31 December 2017: £Nil) during the period in relation to the arrangement and transaction advice of the long term refinancing of the Group, of which £Nil (1 January 2017 to 30 June 2017: £Nil, 1 January 2017 to 31 December 2017: £Nil) was outstanding as at period end.

Foresight Group LLP, a related party of Foresight Group CI, charged asset management fees to the underlying projects of £304,000 during the period (1 January 2017 to 30 June 2017: £256,000, 1 January 2017 to 31 December 2017: £587,333).

Brighter Green Engineering, a related party of Foresight Group LLP, charged fees to the underlying projects under both the O&M contracts and EPC defect remedial work of £2,471,568 during the period (1 January 2017 to 30 June 2017: £1,260,543, 1 January 2017 to 31 December 2017: £4,015,368).

Pursuant to the terms of the Prospectus, the total launch costs to be borne by the Shareholders of the Company were capped at 2% of the launch proceeds of £150,000,000 (i.e. £3,000,000) with any excess launch costs being reimbursed to the Company from Foresight Group CI Limited. Launch costs for the period to be reimbursed from Foresight Group CI Limited amounted to £nil (1 January 2017 to 30 June 2017: £652,202, 1 January 2017 to 31 December 2017: £771,254).

25. CHANGE IN ACCOUNTING POLICIES

This note explains the impact of the adoption of IFRS 9 ‘Financial Instruments’ and IFRS 15 ‘Revenue from Contracts with Customers’ on the Company’s financial statements and also discloses the new accounting policies that have been applied from 1 January 2018, where they are different to those applied in prior periods.

As a result of the changes in the Company’s accounting policies, prior year financial statements did not have to be restated as there were no material reclassifications or adjustments arising from the new impairment rules.

a) Impact on the financial statements

IFRS 15 was endorsed on 22 September 2016 and is effective for accounting periods beginning on or after 1 January 2018. The objective of IFRS 15 is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing, and uncertainty of revenue and cash flows arising from a contract with a customer. A five-step model framework is adopted to recognise revenue based on the amount of consideration to which the entity expects to be entitled to in exchange for goods or services promised to customers.

SCOPE:

IFRS 15 applies to all contracts with customers except those within the scope of IAS 17 Leases, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements, IAS 27 Separate Financial Statements, IAS 28 Investments in Associates and Joint Ventures, IFRS 4 Insurance Contracts and non-monetary exchanges between entities in the same line of business to facilitate sales to customers.

APPLICATION TO THE COMPANY:

The adoption of IFRS 15 does not have a material impact on the Company’s two revenue streams:

- Interest revenue earned from loans that have been issued to underlying Companies within the Group; and

- Gains on its investments at fair value through profit and loss.

IAS 18 specifies that interest revenue is recognised using the effective interest method. The measurement principles for interest revenue have been included in IFRS 9 which similarly will require that interest revenue be recognised using the effective interest method.

Revenue arising from changes in the fair value of financial assets and financial liabilities or their disposal is specifically excluded from the scope of IAS 18. Revenue from financial instruments and other contractual rights or obligations within the scope of IFRS 9 is specifically excluded from the scope of IFRS 15. Both revenue streams fall within the scope of IFRS 9 and thus specifically excluded from the scope of IFRS 15, the adoption of IFRS 15 did not have a material impact on the Company’s interim report and did not result in any changes to accounting policies.

- IFRS 9, ‘Financial Instruments Classification and Measurement’.

IFRS 9 was issued in July 2014 and is effective for annual periods beginning on or after 1 January 2018. IFRS 9 was issued to replace IAS 39 Financial Instruments: Recognition and Measurement. It includes requirements for recognition and measurement, impairment, derecognition and general hedge accounting.

INITIAL MEASUREMENT OF FINANCIAL INSTRUMENTS:

IFRS 9 contains a new classification and measurement approach for financial assets that reflects the business model in which assets are managed and their cash flow characteristics. IFRS 9 contains three principal classification categories for financial assets: amortised cost, fair value through profit or loss and fair value through other comprehensive income. The standard replaces the existing IAS 39 categories of held to maturity, loans and receivables, fair value through profit or loss, amortised cost and available for sale.

APPLICATION TO THE COMPANY: INVESTMENTS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS

The Company’s investment in UK Hold Co (which comprises both debt and equity) was previously held at fair value through profit or loss under IAS 39. In terms of IFRS 9, the investment in its entirety continues to be held at fair value through profit or loss as the equity portion of the investment is not held for trading nor will the fair value through other comprehensive income option be elected and the debt portion of the investment meets the following conditions;

- the fair value through profit or loss classification eliminates an accounting mismatch; and

- the debt investment forms part of a group of assets that are managed and performance evaluated on a fair value basis.

Therefore there is no change in the recognition or measurement of investments held at fair value through profit or loss.

INTEREST RECEIVABLE, TRADE AND OTHER RECEIVABLES, CASH AND CASH EQUIVALENTS

Interest receivable, trade and other receivables and cash and cash equivalents were previously measured at amortised cost under IAS 39. Under IFRS 9 assets can be classified under amortised cost under the following conditions;

- The assets must be held in a business model whose objective is to collect the contractual cash flows i.e. "held to collect"; and
- the contractual cash flows must represent repayment of the principal and interest on the principal amount outstanding

These assets by their nature meet the above conditions and will therefore continue to be held at amortised cost under IFRS 9.

TRADE AND OTHER PAYABLES

Under IAS 39, trade and other payables are measured at amortised cost. This does not change with the application of IFRS 9.

- IFRS 9, 'Financial Instruments – Impairment'.

The Company was required to revise its impairment methodology under IFRS 9 for each class of financial asset.

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial. Investments held at fair value through profit or loss are not subject to IFRS 9 impairment requirements.

INTEREST RECEIVABLE

The Company applies the simplified approach to measuring expected credit losses, as permitted by IFRS 9, which uses a lifetime expected loss allowance for all interest receivable. The Company has completed some high-level analysis and forward looking qualitative and quantitative information, to determine if the interest receivable is low credit risk. Based on this analysis the expected credit loss on interest receivable is not material and therefore no impairment adjustments were accounted for.

TRADE AND OTHER RECEIVABLES

The Company applies the simplified approach to measuring expected credit losses, as permitted by IFRS 9, which uses a lifetime expected loss allowance for all trade receivables. The expected credit loss on trade receivables is not material and therefore no impairment adjustments were accounted for.

b) Accounting policies applied from 1 January 2018 – IFRS 9

CLASSIFICATION

From 1 January 2018, the Company classifies its financial assets in the following measurement categories:

– Those to be measured subsequently at fair value (either through Other Comprehensive Income, or through profit or loss), and
– Those to be measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or Other Comprehensive Income. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

INITIAL MEASUREMENT

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

SUBSEQUENT MEASUREMENT

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the Company classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses). Impairment losses are presented as separate line item in the statement of profit or loss; and

- Fair value through profit or loss: Assets that do not meet the criteria for amortised cost are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

IMPAIRMENT

From 1 January 2018, the Company assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables and interest receivable, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

26. COMMITMENTS AND CONTINGENT LIABILITIES

There are no commitments nor contingent liabilities.

27. CONTROLLING PARTY

In the opinion of the Directors, there is no controlling party as no one party has the ability to direct the financial and operating policies of the Company with a view to gaining economic benefits from its direction.

28. POST BALANCE SHEET EVENTS

The Company completed a significantly oversubscribed placing, raising £48.1 million of new capital in July 2018. The net proceeds of the placing have been used to fund the purchase of a portfolio of 15 operational assets in the UK. The transaction completed on 10 August 2018.

AIFMD Disclosures (unaudited)

ALTERNATIVE INVESTMENTS FUND MANAGER DIRECTIVE REPORT

In accordance with the Alternative Investments Fund Manager Directive Report (the "**Directive**"), the Company is required in its capacity as the Alternative Investment Fund Manager ("**AIFM**") and the Alternative Investment Fund ("**AIF**") to disclose specific information in relation to the following aspects of the Company's management:

OVERVIEW OF INVESTMENT ACTIVITIES

The Company's investment activities during the year is disclosed in full in the Investment Manager's Report on page 20 of the Annual Report.

The Company's portfolio's performance during the year is disclosed in full in the Asset Manager's Report on page 36 of the Annual Report.

A list of the Company's portfolio holdings is included on page 16 of the Annual Report.

LEVERAGE AND BORROWING

Leverage is defined as any method by which the Company increases its exposure through debt, borrowed capital or the use of derivatives.

The Company and its subsidiaries' leverage position and third party debt arrangements are disclosed in full in the Investment Manager's Report on page 20 of the Annual Report.

'Exposure' is defined in two ways – 'Gross method' and 'Commitment method' – and the Company must not exceed maximum exposures under both methods.

The Directors are required to calculate and monitor the level of leverage of the Company, expressed as a ratio between the exposure of the Company and its Net Asset Value (Exposure/NAV), under both the Gross method and the Commitment method.

'Gross method' exposure is calculated as the sum of all positions of the Company (both positive and negative), that is, all eligible assets, liabilities and derivatives, including derivatives held for risk reduction purposes.

'Commitment method' exposure is also calculated as the sum of all positions of the Company (both positive and negative), but after netting off derivative and security positions as specified by the Directive.

For the "Gross method", the following has been excluded:

- the value of any cash and cash equivalents which are highly liquid investments held in the local currency of the Company that are readily convertible to a known amount of cash, subject to an insignificant risk of changes in value and which provide a return no greater than the rate of the 3-month high quality government bond;
- cash borrowings that remain in cash or cash equivalents as defined above and where the amounts of that payable are known.

The total amount of leverage calculated as at 31 December 2017 is as follows:

Gross method: 22%

Commitment method: 32%

LIQUIDITY

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due as a result of the maturity of assets and liabilities not matching. An unmatched position potentially enhances profitability, but can also increase the risk of losses. Liquidity could be impaired by an inability to access secured and/or unsecured sources of financing to meet financial commitments. The Board monitors the Company's liquidity requirements to ensure there is sufficient cash to meet the Company's operating needs.

The financial position of the Company, its cash flows, liquidity position and borrowing facilities are referred to in the Chairman's Statement, Strategic Report and Notes to the Accounts. In addition, the financial statements include the Company's objectives, policies and processes for managing its capital; its financial risk management objectives; and its exposures to credit risk and liquidity risk.

The Company has sufficient financial resources together with investments and income generated. As a consequence, the Directors believe that the Company is able to manage its business risks.

RISK MANAGEMENT POLICY NOTE
Please refer to Principal Risks report on page 43 of the Annual Report.

REMUNERATION
As AIFM, the Company is subject to a remuneration code which is consistent with the requirements of the FCA which apply to the AIFM. The remuneration policy is designed to ensure that any relevant conflicts of interest can be managed appropriately at all times and that the remuneration of the Directors and senior management is in line with the risk policies and objectives of the funds managed by the AIFM.

The Company does not directly employ any staff members. The services in this regard are provided by staff members of Foresight Group LLP.

In accordance with the AIFMD, information in relation to the remuneration of the Company's AIFM is required to be made available to investors. In accordance with the Directive, the AIFM's remuneration policy and the numerical remuneration disclosures in respect of the AIFM's relevant reporting period (year ending December 2017) are available from the AIFM on request.

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Glossary of Terms

AIC	The Association of Investment Companies
AIC Code	The Association of Investment Companies Code of Corporate Governance
AIC Guide	The Association of Investment Companies Corporate Governance Guide for Investment Companies
AIFMD	The Alternative Investment Fund Management Directive
Asset Manager	The Company's underlying investments have appointed Foresight Group LLP, a subsidiary of Foresight Group CI, to act as Asset Manager
Company	Foresight Solar Fund Limited
CEFC	The Clean Energy Finance Corporation
DCF	Discounted Cash Flow
DECC	The Department of Energy and Climate Change
DNO	Distribution Network Operator
EPC	Engineering, Procurement & Construction
EU	The European Union
EUA	European Emission Allowances
FAC	Final Acceptance Certificate
FiT	Feed-in Tariff. The Feed-in-Tariff scheme is the financial mechanism introduced on 1 April 2010 by which the UK Government incentivises the deployment of renewable and low-carbon electricity generation of up to 5MW of installed capacity.
GAV	Gross Asset Value on Investment Basis including debt held at SPV level
Group Borrowing	Group Borrowing refers to all third-party debt by the Company and its subsidiaries.
GWh	Gigawatt hour
IAS	International Accounting Standard
IFRS	International Financial Reporting Standards as adopted by the EU
Investment Manager	Foresight Group CI Limited
IPO	Initial Public Offering
KID	Key Information Document
KPMG LLP	KPMG is the Company's Auditor
LGC	Large-Scale Generation Certificate
LIBOR	London Interbank Offered Rate
Listing Rules	The set of FCA rules which must be followed by all companies listed in the UK
LRET	Large-Scale Renewable Energy Target. The LRET creates a financial incentive in Australia for the establishment and growth of renewable energy power stations, such as wind and solar farms, or hydro electric power stations
Main Market	The main securities market of the London Stock Exchange
MIDIS	Macquarie Infrastructure Debt Investment Solutions
MUFG	Bank of Tokyo-Mitsubishi UFJ
MWh	Megawatt hour
MWp	Megawatt peak
NAV	Net Asset Value
NEG	National Energy Guarantee
Official List	The Premium Segment of the UK Listing Authority's Official List
O&M	Operation and Maintenance contractors
PPA	Power Purchase Agreements
PR	Performance Ratio
PRIIPS	Packaged Retail and Insurance-Based Investment Products
PV	Photovoltaic
RET	Renewable Energy Target
RO Scheme	The financial mechanism by which the UK Government incentivises the deployment of large-scale renewable electricity generation by placing a mandatory requirement on licensed UK electricity suppliers to source a specified and annually increasing proportion of electricity they supply to customers from eligible renewable sources or pay a penalty.
ROC	Renewable Obligation Certificates
RPI	The Retail Price Index
SCR	Significant Code Review
SPV	The Special Purpose Vehicles which hold the Company's investment portfolio of underlying operating assets
TCR	Targeted Charging Review

UK	The United Kingdom of Great Britain and Northern Ireland