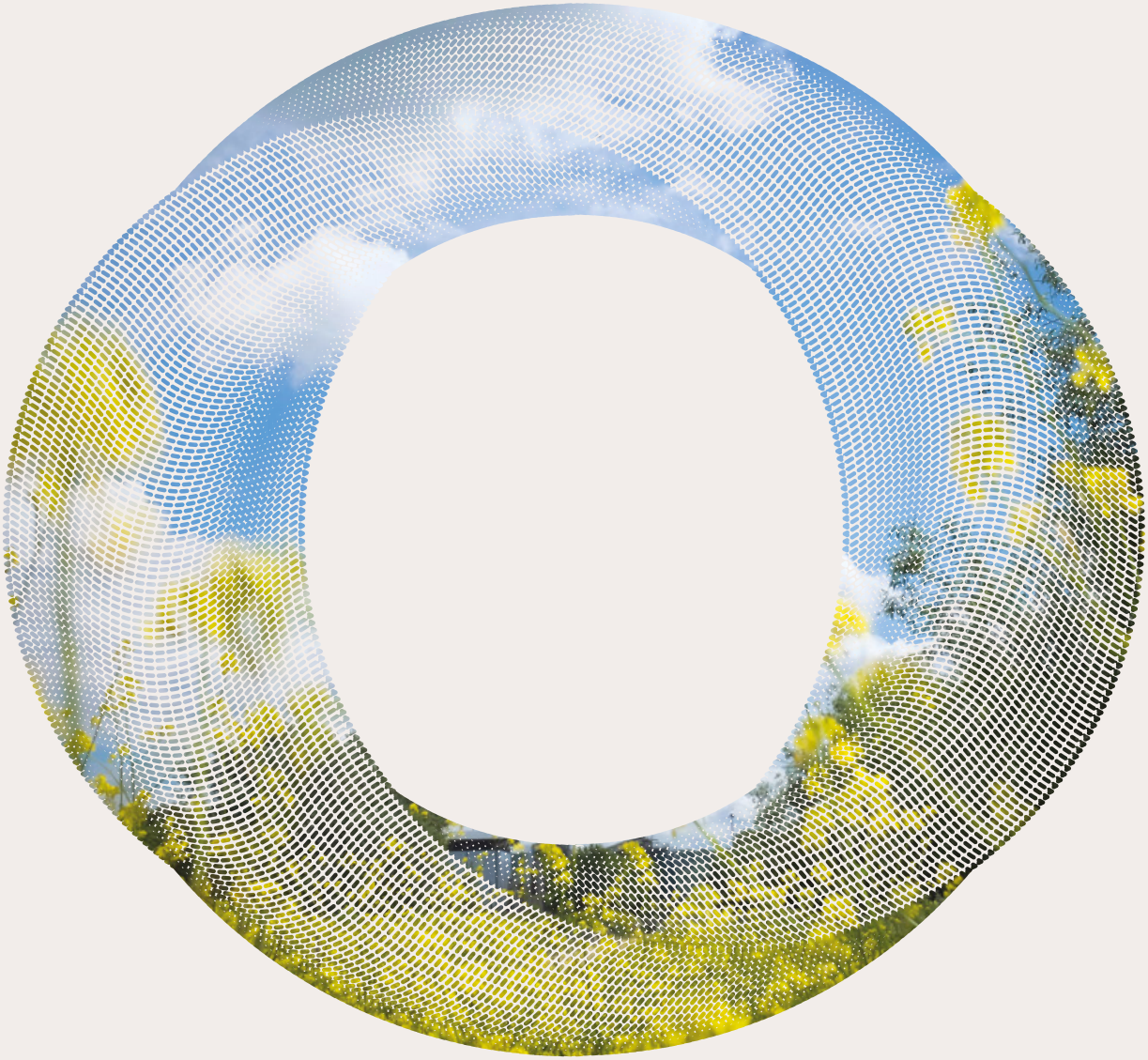
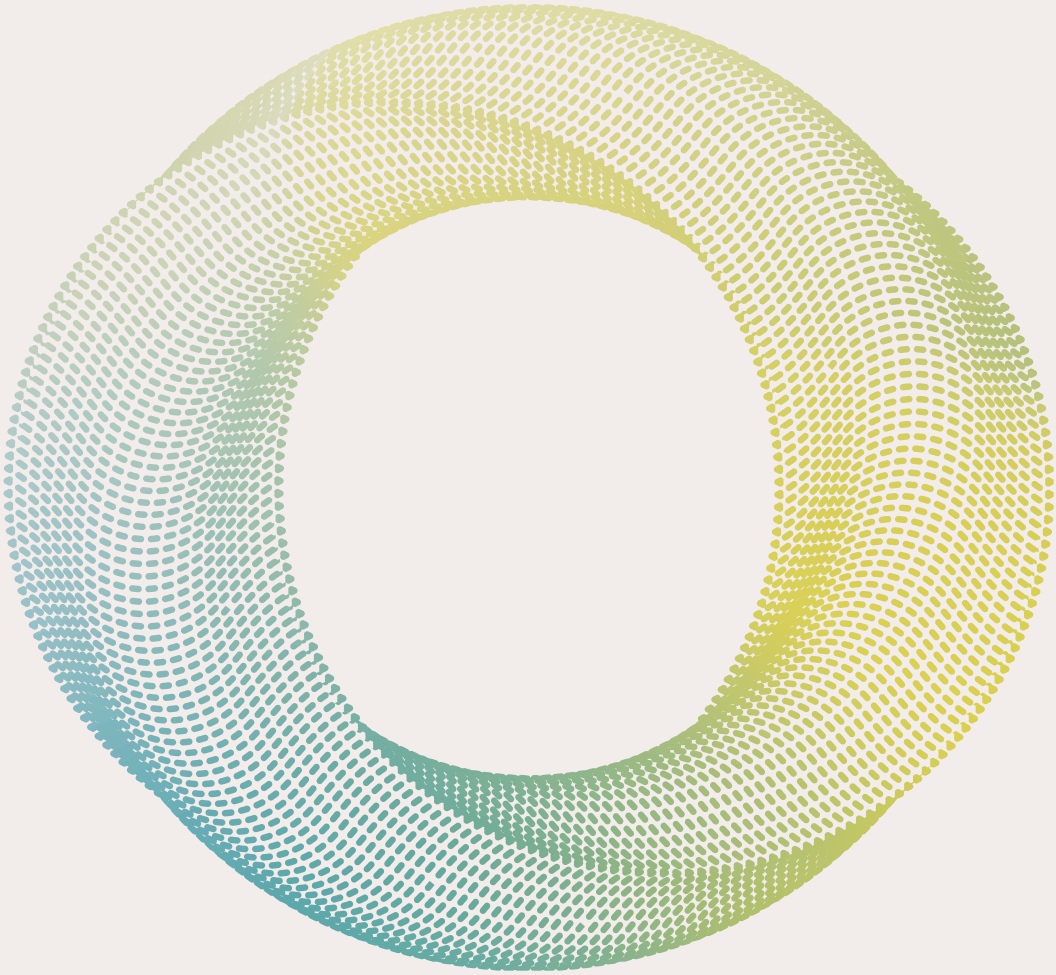
ANNUAL REPORT
AND FINANCIAL STATEMENTS

2016



THRIVE
RENEWABLES

WWW.THRIVERENEWABLES.CO.UK



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OFFICERS AND PROFESSIONAL ADVISERS

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(Chair)

Matthew Clayton
(Managing Director)

Peter Weston
Katie Gordon
Colin Morgan
Tania Songini

Charles Middleton
(appointed 20 July 2016)

Katrina Cross
(Finance Director)
(appointed 1 November 2016)

COMPANY SECRETARY
Katrina Cross
(appointed on 29 February 2016)

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WELCOME FROM THE CHAIR

Dear Shareholder,

2016 was quite a year: a combination of the collapse of old political certainties, a tipping point in the relative economics of fossil fuels and renewable energy, and sustained signs of an end to the growth of global energy-related carbon emissions. Our glass can truly be both half full and half empty at the same time!

Amidst this disruption, work must go on. We hit the ground running as Thrive Renewables, following our move to independence from Triodos Bank, and name change on 29 February 2016.

We have grown the project portfolio by 17%, acquiring one new wind farm project in 2016, and investing in a further wind farm and our first solar PV project early in 2017.

> "We have been able to expand our community of investors and give more people a direct stake in renewable energy."

During the year we have developed new partnerships that enable the growth of renewable energy generation, even in a less favourable political climate.

We were very pleased to welcome Triodos Bank as a new shareholder during the year, strengthening a long relationship built on our shared history and values. We were also delighted to welcome 1,396 bondholders, 680 of whom are new investors. Through the success of the bond issues, we have reduced our cost of debt and improved potential future returns to shareholders. And by paying interest to bondholders rather than banks, we have been able to expand our community of investors and give more people a direct stake in renewable energy.

Our financial performance in 2016 has undoubtedly been below par. Two causal factors stand out. First, the below-average wind speed across the year. And second, the Lancaster floods at the end of 2015, which caused sustained constraints on the distribution network serving our largest wind farm at Caton Moor.

While these factors were largely beyond our control, they have ensured we are focusing even more sharply on improving the operational performance of our portfolio and reducing costs, including the cost of our debt.

Considering the overall financial picture and the healthy growth of our portfolio during the year, your Board is recommending that we pay a dividend of 4p per share for 2016, sustaining an annual financial return to our 5,585 shareholders.

Our future prospects are good, in spite of the recent reductions in support for renewables which the UK Government has overseen. While the immediate reaction may be one of anger or frustration, the much more positive reality is that the cost of installing renewable energy – both wind and solar – has dropped dramatically, rendering generous subsidies out-dated. Furthermore, there are exciting developments in the integration of storage and smart energy techniques to balance supply and demand. These create both the potential for renewables to thrive at a far greater scale on our electricity networks, and new opportunities for investment.

We continue to put your money to work generating the renewable power the country needs and building a community of like-minded investors sharing a commitment to a sustainable energy future. In the coming years, we will do more to give voice to that commitment, not least to help establish new political certainties about the public's positive support for renewable energy.

Simon Roberts OBE
Chair of the Board of Thrive Renewables Plc

2016 AT A GLANCE

OUR ACHIEVEMENTS AND PERFORMANCE

THE PORTFOLIO OF PROJECTS TO WHICH WE CONTRIBUTED SAVED

71,866 TONNES OF CO_2e

OUR AVERAGE SHAREHOLDING HAS SAVED

12.8 TONNES OF CO_2e EMISSIONS IN 2016

THE UK AVERAGE WIND SPEEDS IN 2016 WERE BELOW AVERAGE, AUTUMN 2016 WAS THE LEAST WINDY FOR 15 YEARS[1]

TURNOVER

£13.5 MILLION

DOWN BY 11% ON 2015

OPERATING PROFIT BEFORE TAX

£2.74M

DOWN **47%** ON 2015

OUR DIRECTORS' RECOMMENDED SHARE PRICE INCREASED FROM £2.18 TO **£2.35** (7.8%) WITH A 4P DIVIDEND RECOMMENDED

WE BECAME INDEPENDENT AND CHANGED OUR NAME FROM TRIODOS RENEWABLES TO

THRIVE RENEWABLES

WE LAUNCHED OUR NEW WEBSITE AND INTRODUCED THE 'THRIVE' BRAND

IN 2016 OUR PROJECT PORTFOLIO GREW BY **7.3%**

WE HAVE NOW INVESTED IN **50** TURBINES ACROSS THE UK, WITH **19 SITES** IN TOTAL

WE BECAME THE FIRST GREEN ENERGY BOND TO BE AVAILABLE WITH AN INNOVATIVE FINANCE ISA. MINIMUM INVESTMENT OF **£5** ONLINE.

OUR BOND OFFERS RAISED OVER **£10.7M** FOR NEW PROJECTS BY THE END OF 2016 AND ATTRACTED OVER **600** NEW INVESTORS

10.13 TONNES CO_2e SAVED BY OUR COMMUNITY BENEFIT PROGRAMME

200+ VISITORS ATTENDED OUR WIND FARM OPEN DAY IN CAMBRIDGESHIRE

[1] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/604690/Energy_Trends_March_2017.pdf

OUR PROJECTS

HYDRO

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

WIND

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

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

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

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

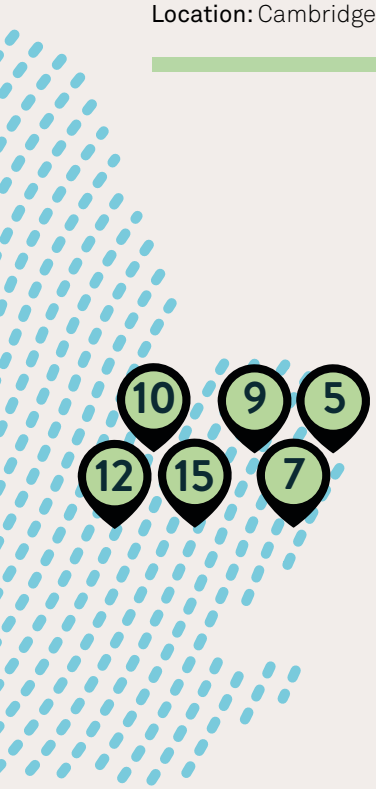
6. WERN DDU
Project size: 9.2MW 4-turbine wind farm
Location: Gwyddelwern, North Wales

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

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

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

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



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

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

13. AUCHTYGILLS
14. CLAYFORDS
Thrive Renewables (Buchan) Limited (formerly Triodos Mellinsus Projects Limited)
Project size: 800kW each, 2-turbine wind farm
Location: Aberdeenshire, Scotland

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

NEW PROJECTS

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

17. DRUMDUFF
Joint venture – now in construction
Project size: 6MW
3-turbine wind farm
Location: West Lothian, Scotland

18. BROTHERTON
Mezzanine loan investment – now in construction
Project size: 4.6MW
2-turbine wind farm
Location: Aberdeenshire, Scotland

19. SHERIFFHALES
Mezzanine loan investment - now operational
Project size: 3.174MWp[2] solar farm
Location: Shropshire

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

> Our mission is to power the transition to a sustainable energy future by helping people meaningfully connect with clean energy projects.

Matthew Clayton, Managing Director, Thrive Renewables

STRATEGIC REPORT

ABOUT US

Thrive Renewables connects people to sustainable energy. We offer accessible opportunities for individuals and businesses to invest in clean energy projects that deliver financial, social and environmental rewards. Thanks to our 5,585 shareholders – large and small – we've been building and operating renewable energy projects in the UK since 1994. By investing in Thrive, you have joined the growing movement of people working together to create a sustainable energy system for generations to come.

OUR VISION

We believe in a clean, smart energy system that is powered by the investment of many.

"Our mission is to power the transition to a sustainable energy future by helping people meaningfully connect with clean energy projects." Matthew Clayton, Managing Director, Thrive Renewables.

OUR VALUES

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

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

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

OUR GOALS AND OBJECTIVES

"Renewables' share of total UK electricity generation was 24.4% in 2016. This is more than twice the contribution made by coal power and more than nuclear power[3]. The speed of deployment and contribution being made by renewable electricity generation in the UK is a huge success; renewables is no longer 'alternative' energy. Our shareholders are directly contributing to this revolution. Together, we will play our part in the transition to a cleaner, smarter, renewables-based system." Matthew Clayton, Managing Director, Thrive Renewables.

[3] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/604690/Energy_Trends_March_2017.pdf

We are making good progress towards our 2020 growth targets of contributing to 125MW of renewable projects, and uniting a community of 10,000 investors. Over the last 12 months up until March 2017 we have invested in four projects, three new wind farms and a solar PV project. We have contributed to a total portfolio of 95.6MW, of which two wind farms (10.6MW) are in construction. We have grown our investor base from 5,700 in 2015, to 6,265[4].

WE HAVE GROWN OUR INVESTOR BASE **FROM 5,700 IN 2015, TO**

Our objectives for the coming 12 months include:

- To continue to deliver healthy returns to shareholders, both via dividends and capital appreciation. We will achieve this through improvements in operational performance, lowering the Group's cost of debt and by continued growth of our portfolio, delivering greater impact and diversifying income.
- To continue to improve the portfolio's operational performance in terms of health, safety and productivity. We will focus on increasing the availability and productivity of our 50 turbines, and enhancing the electricity sale arrangements.
- To increase awareness of Thrive Renewables and further enhance the profile of shares on the secondary market to support our growth.

INVESTMENT STRATEGY

While the support mechanisms for growth in renewables remain uncertain, the foundations continue to strengthen.

The urgent need to decarbonise the energy sector was globally validated by the Paris Agreement in 2015, now ratified by the UK Government. The economic case is becoming clearer, visible as both reductions in the upfront cost of renewable technologies, and the non-reliance on fossil fuels and the associated price volatility. Demand for renewable electricity is forecast to grow, as more coal plants are retired and demand from heating and transport increases.

[4] Combining 5,585 shareholders and 680 new bondholders.

Thrive Renewables will continue to generate renewable electricity from its existing portfolio, whilst also giving attention to the following areas:

1. ACQUIRING NEW RENEWABLE ENERGY GENERATION SITES

We will add new renewable generation to the UK's energy system. In the immediate future we will continue to work with projects that qualify via grace periods for financial support. However, because these opportunities will become increasingly scarce in the coming months, we are working with developers to establish renewable projects on a subsidy-free basis, which will demonstrate true sustainability. The first examples of these subsidy free projects are likely to involve direct supply to industrial and commercial consumers, similar to our merchant projects at March, Dunfermline and Eye.

2. COMMUNITY OWNERSHIP

The changes in regulatory support for renewable energy projects has led to some projects being developed and constructed very quickly. As a result, some communities interested in participating in local projects have missed the opportunity to get involved. Thrive Renewables is working with community renewable groups to support the migration of ownership of projects from utilities and mainstream developers to local communities.

We are able to generate mutual benefits alongside the community groups, bringing bridging facilities, co-funding and investment, and sharing our investment and operational expertise.

3. LIFE EXTENSION AND RE-POWERING OF EXISTING SITES

We are reviewing the potential for life extension and repowering (replacing existing equipment with more modern equivalents) at sites that have been operating for over 15 years. Operational life extension beyond 20 years involves both technical and contractual elements. We are also considering repowering opportunities at any sites that could yield materially greater power with a generation and control system update.

4. INVESTING IN FLEXIBLE ENERGY

The electricity system must evolve and become more flexible to accommodate greater proportions of renewable energy. The National Grid operates auction processes for the provision of flexibility (short bursts of electricity to help balance the grid). We are assessing the viability of integrating electricity storage assets into our industrial sites, allowing the renewable electricity generated to offset the most carbon intensive and expensive electricity from the grid system. We are also evaluating the opportunity to invest in stand-alone assets that can provide the grid flexibility and battery storage systems integrated into our existing projects.

Both stand-alone and integrated storage will help the grid system use higher volumes of renewable electricity, while also creating additional revenue streams for our business.

5. ENERGY EFFICIENCY

Reducing the amount of energy we consume is one of the best solutions to our energy and environmental challenge. Thrive Renewables continues to seek and evaluate energy efficiency investment opportunities that meet our risk and return profile.

STRATEGIC REPORT

GENERATION IN 2016

Thrive Renewables' owned operational generating capacity remained stable at 64.1MW in 2016, although investment in Green Breeze Energy represents growth of 5% to 67.1MW when it becomes operational in 2017.

Additionally, we provided a £2.7m mezzanine debt facility to Renewable Energy Ventures (Gevens) Limited in 2015. This enabled the developer to build its three-turbine 6.9MW wind project located in Fife, Scotland, which was commissioned in September 2016.

In the first quarter of 2017, Thrive Renewables provided two further mezzanine debt facilities: £1.48m to Renewable Energy Ventures (Brotherton) Limited for a 4.6MW wind farm now under construction in Aberdeenshire, Scotland; and £1.7m to a Community Interest Company that owns the Sheriffhales 3.174MWp solar PV farm in Shropshire, England. We made the Sheriffhales investment to allow the purchase of the solar project with a view to migrating its ownership to community investors.

The full-year generation of the three new wind projects commissioned during 2015 (Boardinghouse, Auchtygills and Clayfords) was forecast to deliver 6% growth in 2016. However, poor wind resources (the lowest since 2010) led to reduced generation on all wind sites from 2015 on a like-for-like basis. Therefore, total generation for Thrive Renewables' owned portfolio[5] was 147,778 MWh, 13% less than the 169,485 MWh generated in 2015. In 2016, generation was equivalent to satisfying the electricity demand of 37,000[6] UK homes (41,187: 2015). The generation from the total portfolio of projects we contributed to was 174,412 MWh – the equivalent of 43,668 homes.

BECOMING 'THRIVE RENEWABLES'

On the 26 February 2016, we convened a General Meeting (GM) of the Company to consider becoming independent of the Triodos Bank Group. The three elements considered by you, our shareholders were:

- the purchase by Thrive from Stichting Triodos Holdings of the 'A' share and associated rights,
- the change of the Company's name from Triodos Renewables to Thrive Renewables,
- the adoption of new Articles of Association.

Shareholders voted in favour of the changes which simplify the Company's structure and regulatory treatment. Since the GM, we have successfully transitioned from Triodos Renewables to Thrive Renewables - or Thrive, for short. Thrive maintains its longstanding core values and ethos, uniting a community of investors in contributing to and being rewarded by cleaning up the UK's energy system.

As intended, the change has increased the resource available and delivered management cost savings. Thrive Renewables now directly employs the core management team, and recruited a Communications Manager in May 2016 and a Commercial Accountant in February 2017.

[5] Thrive Renewables does not own 100% of all the projects in the portfolio, so we report the generation and impact figures on a pro-rata basis in line with the Group's shareholding and also for the entire invested portfolio. Thrive Renewables has contributed to a portfolio of 19 projects with a total capacity of 95.6MW. However, Thrive Renewables has achieved this via joint ventures and the provision of mezzanine debt. Once adjusted for the proportion of Thrive Renewables ownership, the total capacity is 67.2MW.

[6] BEIS, Department for Business, Energy & Industrial Strategy. 3,994kWh/home

Since the transition, Thrive has welcomed Triodos Bank as a shareholder. Triodos Bank purchased 560,241 shares from the secondary shares market (Matched Bargain Market) and an additional 433,010 newly allotted shares at £2.27 (the Directors' Recommended Share Price at the time of purchase). This investment of £982,932 contributed to growing the portfolio of projects in 2016. Triodos Bank is now Thrive's second largest shareholder, owning 5% of the Company. This vote of confidence from Triodos is welcomed and reflects the spirit of the transition.

OUR BOND OFFERS

We successfully raised debt by issuing two bonds in 2016 rather than using bank debt. This provides our shareholders and other investors with the opportunity to benefit from interest payments in exchange for lending money to fund the growth of the portfolio. It is the Directors' intention that all shareholders benefit from the bonds, not only those who have invested in them. The bonds lower the cost of debt to the Group and we plan to use the £13m raised to fund further growth in our portfolio of renewable energy projects, increasing diversity and sources of revenue. The Directors intend that the shareholder returns, both financial and impact, will be improved by the deployment of the money raised by the bonds.

Thrive Buchan bond in May

The Thrive Renewables (Buchan) Ltd bond issue was launched on 9 May 2016. The bond offers bondholders 5.5% interest per annum over five years and is secured over the assets of Thrive Renewables (Buchan) Ltd which includes Thrive Renewables (Clayfords) Ltd and Thrive Renewables (Auchtygills) Ltd, which each operate 0.8MW wind farms in Aberdeenshire, Scotland. The bond raised the targeted £3m in less than five weeks, with 10% of investment coming from investors new to the Group.

THE BOND RAISED THE TARGETED

£3M IN LESS THAN FIVE WEEKS

Thrive Plc bond in November

A further bond was issued by Thrive Renewables Plc in November 2016. The Thrive Renewables Plc bond offers bondholders 5% interest per annum over seven years. Thrive Renewables has an option to repay after five years. Bondholders were able to invest online from as little as £5. This bond was one of the first in which bondholders could benefit from investing via their Innovative Finance ISA account (IFISA), providing a tax efficient way of investing. By the first close on 9 December 2016, the bond had raised £7,722,190.27. At its close in March 2017, a further £2,240,000.00 had been invested, bringing the total to £9,962,190.27. The bond attracted 940 individuals, four institutions and two foundations, further diversifying the investor base of Thrive Renewables.

BONDHOLDERS WERE ABLE TO INVEST ONLINE FROM AS LITTLE AS

SECONDARY SHARES MARKET

In response to shareholder feedback, the Directors appointed a new operator for the secondary shares market (also known as the Matched Bargain Market), James Sharp & Co. in December 2015. The first auction of shares took place in February 2016 and auctions continue to run every month. The secondary shares market aims to enhance the transparency and liquidity of the trading of our shares. There is more information on buying and selling shares, as well as the results of the monthly share auctions, on our website at www.thriverenewables.co.uk/investors

In the first 12 months since the introduction of the monthly auction 836,497 shares have traded at an average price of £2.22, representing a 3.8% turnover in shares in the Company. This level of trading and price indicates that the monthly auction process introduced in 2016 has improved the secondary share market.

We continue to take steps to improve the secondary market such as Thrive Renewables now being present on the Social Stock Exchange[7] and Ethex[8] platforms which promote businesses with an environmental and social mission. We expect this exposure, combined with our increased communication activities, to stimulate more interest in shares in Thrive Renewables and thus contribute to a healthy secondary market for shares.

DIRECTORS' RECOMMENDED SHARE PRICE

With the intention of providing a transparent indication of the value of the Company to our diverse shareholder base the Directors provide a valuation of the Company as guidance for shareholders in valuing their shares. This is called the Directors' Recommended Share Price (DRSP). The DRSP is reviewed when material events occur, such as the addition of a new renewable project, change in regulation or movement in wholesale electricity market prices[9].

RECOMMENDED DIVIDEND

The approved dividend for 2015 of 4p per share was paid in July 2016.

For 2016, the Directors recommend the payment of a 4p dividend to be paid in July 2017, which will be subject to approval by the shareholders at the AGM on 30 June 2017. A dividend is recommended for 2016 despite a year of disappointing results as the Directors consider that retained reserves built up in previous years are sufficient to allow a dividend to be paid.

KEY PERFORMANCE INDICATORS

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

KPI's	2016	2015
Turnover	£13.54m	£15.16m
Operating Profit	£2.74m	£5.13m
(Loss)/Profit (after tax and minority interests)	£(0.40)m	£2.37m
Total investors	6,265	5,700
Directors' Recommended Share Price	£2.35	£2.18
Dividend proposed/paid	4p	4p
Health and safety incidents	0	0
Homes Equivalent of renewable electricity generated[10]	37,000	41,187

[7] http://socialstockexchange.com/

[8] https://www.ethex.org.uk/

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

[10] Calculated using the most recent statistics from the Department of Business, Energy and Industrial Strategy (BEIS) showing than annual UK average domestic household electricity consumption is 3,994kWh.

The growth of the portfolio is also monitored with the target of achieving 125MW by 2020. We were below target in 2016, but in line by February 2017. We are maintaining safe operations, constructive community engagement, and acceptable levels of complaints.

Our performance against last year and budget suffered mainly because of the lower than forecast wind resources, although technical issues in the portfolio also contributed to the shortfall. Managing operating costs, reducing debt costs and enhancing the electricity prices received did not compensate for the 19% shortfall in generation. We continue to make progress towards growing our portfolio and investor community.

MARKET OUTLOOK

Earth's 2016 surface temperatures were the warmest since modern record keeping began in 1880, according to independent analyses by NASA and the National Oceanic and Atmospheric Administration (NOAA). 15 of the warmest 16 years on record have now occurred since 2001[11].

Globally-averaged temperatures in 2016 were 0.99 degrees Celsius warmer than the mid-20th century mean. This makes 2016 the third year in a row to set a new record for global average surface temperatures.

15

OF THE WARMEST 16 YEARS ON RECORD HAVE NOW OCCURRED SINCE 2001

[11] http://www.bbc.co.uk/news/science-environment-38652746

[12] https://www.nasa.gov/press-release/nasa-noaa-data-show-2016-warmest-year-on-record-globally

[13] http://unfccc.int/paris_agreement/items/9444.php 144 countries as at 5th May 2017

[14] https://www.theccc.org.uk/wp-content/uploads/2015/11/Fifth-Carbon-Budget_Executive-Summary.pdf

> "2016 is remarkably the third record year in a row in this series. We don't expect record years every year, but the ongoing long-term warming trend is clear."
>
> Gavin Schmidt, Director
> Goddard Institute for Space Studies

The planet's average surface temperature has risen about 1.1 degrees Celsius since the late 19th century, a change driven largely by increased carbon dioxide and other human-made emissions into the atmosphere[12].

The fight against climate change gained significant political traction with the ratification of the Paris Agreement in November 2016. In total 144 of the world's 197[13] countries committed to a long-term goal of keeping the increase in global average temperature to well below 2°C (above pre-industrial levels), and to strive to limit the increase to 1.5°C.

Reassuringly, the UK is one of those 144 countries that ratified the Agreement. Additionally, the Climate Change Act requires the UK's greenhouse gas (GHG) emissions in 2050 to be 80% lower than 1990 levels. And we're making progress, with a 36% reduction by 2014 (compared to 1990's levels).

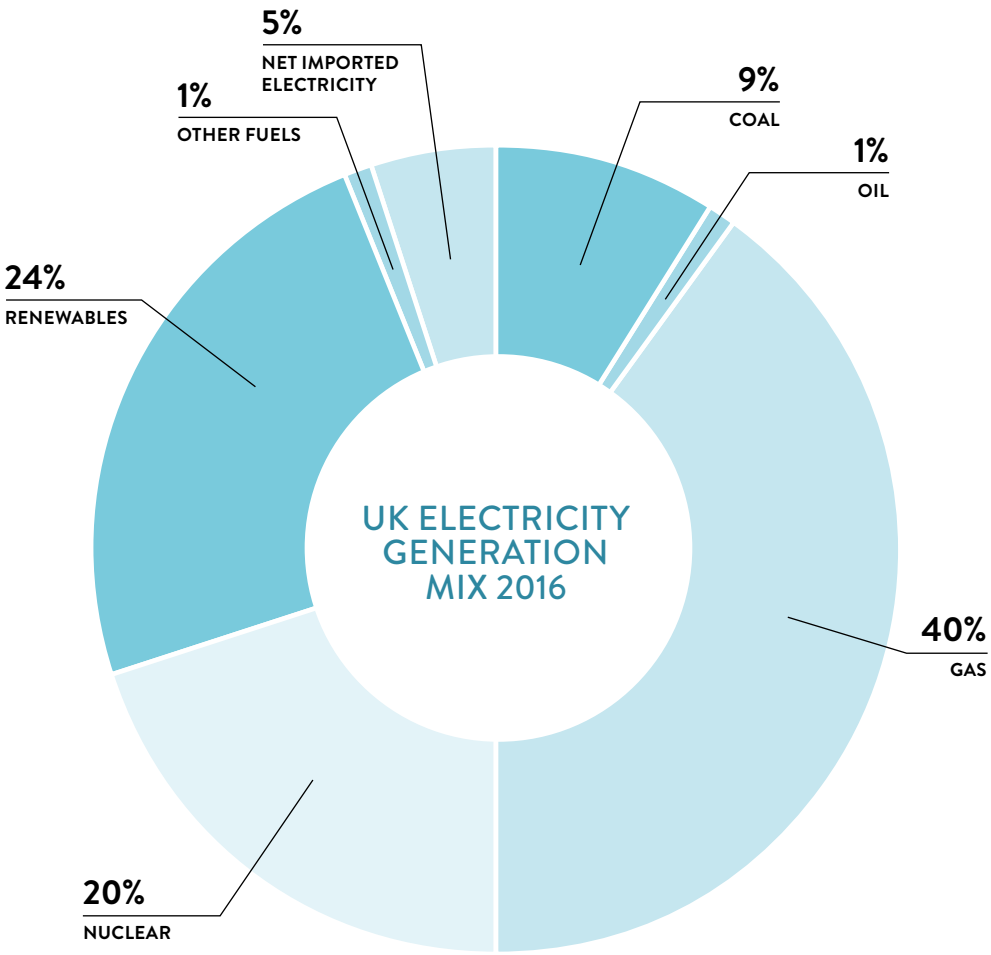
The UK's Fifth Carbon Budget, adopted at the end of June 2016, sets out a cost-effective pathway to achieve a 57% decrease in GHG emissions against 1990 levels by 2030[14]. The Paris Agreement and the Fifth Carbon Budget look set to progress despite political events that might suggest otherwise – such as the change in the UK's Prime Minister, the Brexit referendum and the election of Donald Trump as President of the USA. Climate change has been acknowledged as an issue, and the UK government is committed to contribute to addressing it.

UK ENERGY AND REDUCING GHG EMISSIONS

In the context of GHG emission reductions related to energy, the UK government's plan includes addressing electricity generation, carbon capture and storage, sources of heat, energy efficiency and transport.

> "Progress towards cleaner electricity generation has been good, with a reduction in the consumption of coal and an increase in generation from renewable sources from 5.5%[15] in 2008 to 24% in 2016 as shown in the chart below. Shareholders in Thrive Renewables are contributing to this revolution."

Matthew Clayton, Managing Director, Thrive Renewables

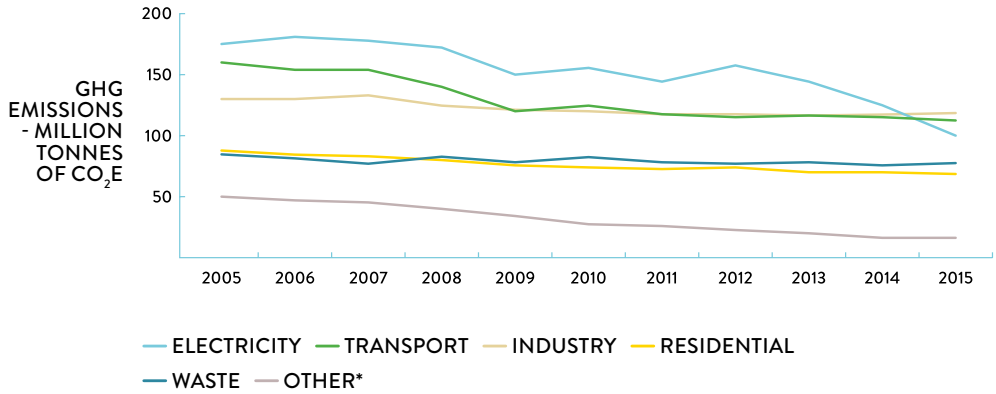


[15] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/65896/1_20090729135638_e____dukes60.pdf

However, progress in other areas has been relatively slow. As illustrated in the chart below, transport, energy efficiency and heat have delivered little change towards a less carbon intensive future.

Looking ahead, low carbon electricity will be key to meeting heat (air and ground source heat pumps) and transport (electrification of railways and electric vehicles) emission reductions. It is therefore crucial that we continue the transition towards a cleaner electricity system.

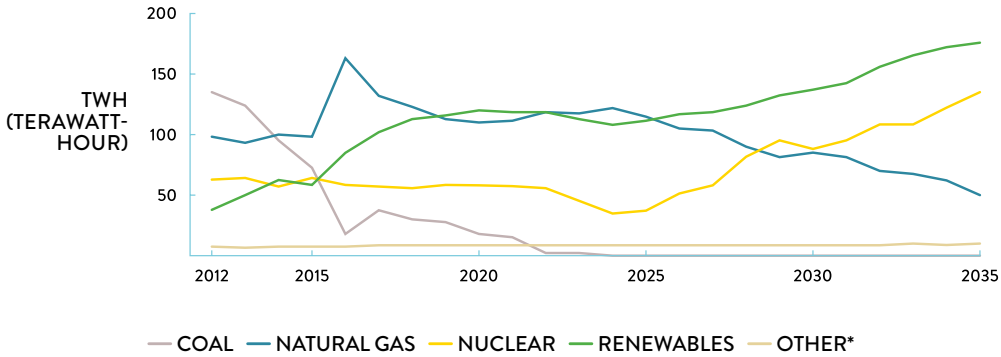
UK GHG EMISSIONS BY SECTOR (2005-2015)[16]



*Other includes Agriculture, Non-residential Buildings and fluorinated-gases

The UK government's projected transition to a low carbon energy mix between now and 2035 involves a doubling of renewable electricity generation with an accompanying 60%+ reduction in gas generation and the retirement of conventional coal by 2022.

PROJECTION OF ELECTRICITY GENERATION (TWH)[17]



* Other includes, oil, other thermal and storage.

[16] BEIS (2016): Provisional GHG statistics for 2015; BEIS (2016): Final GHG statistics for 1990-2014; CCC calculations

[17] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/599539/Updated_energy_and_emissions_projections_2016.pdf

RAPID GROWTH IN RENEWABLES

The early closure of the Renewables Obligation for new projects may appear to counter the objective of doubling the contribution made by renewable generation. The removal of support for onshore wind, solar PV and hydro demonstrates the success of these technologies, but to a certain extent is unhelpful for their continued growth and deployment (which represent some of the cheapest means of generating electricity available). However, progress in the cost reduction of generation from renewable sources has been rapid. The speed of deployment, the falling costs of equipment and installation, the electricity grid reinforcement (largely paid for by renewable projects), and the movement from a centralised generation system to distributed generation have been the great achievements of the renewable energy sector over the last 20 years. With renewables generating 24%[18] of the UK's electricity in 2016, the contribution is clear.

WITH RENEWABLES GENERATING

24%

OF THE UK'S ELECTRICITY IN 2016, **THE CONTRIBUTION IS CLEAR**

MOVING BEYOND SUBSIDIES

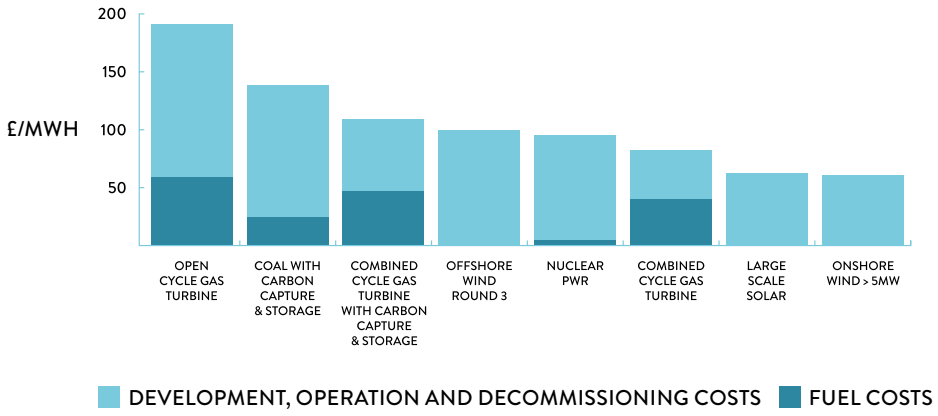
As a result of this success, the race is on globally to deliver renewable electricity to the grid without subsidy, at parity with the cost of 'conventional' generation. The cut in benefits for new projects may be two or three years premature, but is perhaps the catalyst required to break through cost parity and enable renewable electricity to become the cheapest source of electricity available. The recognition of renewable electricity achieving parity would be accelerated if the support mechanism playing field throughout the energy sector was levelled. At the moment, policy is biased towards certain technologies. For example, the price of £100 MWh[19] (plus inflation) being offered to Hinkley Point C nuclear power station, appears somewhat high relative to the cost of renewables. Also the tax breaks and subsidies offered to the fossil fuel sector have been estimated by the International Monetary Fund to be six times the level of support offered to renewables[20].

[18] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/604690/Energy_Trends_March_2017.pdf

[19] Feed in Tariff Strike price of £92.50 in 2012 prices indexed with RPI to £100.28.

[20] http://www.imf.org/external/pubs/cat/longres.aspx?sk=42940.0

GENERATION COST ESTIMATES 2025[21]



GENERATION SUPPLY AND DEMAND

The generation cost estimates illustrated in the chart above clearly show that solar and wind will soon be the cheapest options available. They will soon undercut gas fuelled generation, and offshore wind can already compete directly with nuclear. While wind and solar are becoming the lowest cost options, demand for electricity isn't tied to wind, sun or full reservoirs. We need a responsive electricity supply that can perfectly synchronise demand and supply every second of every day. We have made much progress in how we source our power (less coal, nuclear, gas and oil, and more wind, sunlight and rainfall), which we now must match by addressing the challenge of variable supply and flexible demand.

In the immediate term, the required flexibility is being provided by more conventional sources of electricity. However, in the coming years, this picture will evolve in two ways.

- First, the integration of storage into the electricity system will allow the fine balance of demand and supply to be better managed. The system will be able to make the most of periods of abundant renewable energy generation, storing surplus power and releasing it back to the grid when demand is greater than supply.
- The second material change is to encourage more flexibility on the demand side. Major industrial consumers are already incentivised by price to reduce demand when the grid is close to capacity and increase demand when surpluses arise (ie. when natural resources are particularly abundant).

The idea of smarter consumption is to manipulate demand for power to avoid expensive and carbon intensive spikes. By reducing these extremes of demand, the system requires less electricity generation capacity (the peaks in demand will be shaved off), less contingency in the grid and network infrastructure, and ultimately greater utilisation of lower cost and clean renewable energy resources.

Although we – as conscious consumers – can 'manually' manipulate demand by aligning our energy use to off peak times, it is important this flexibility gets built into the system. These simple improvements will optimise everyone's use of renewables to deliver the majority of power to the grid more often, therefore reducing the environmental and financial cost of our demand for electricity.

WITH OR WITHOUT GOVERNMENT SUPPORT

Despite the changes introduced, initially reducing and now removing the benefits for onshore wind, hydro and solar PV, the government continues to honour the commitments made to those projects which have already qualified for support.

[21] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/566567/BEIS_Electricity_Generation_Cost_Report.pdf

Therefore our Directors are confident that the 17 operational projects in our portfolio will continue to benefit from the support for which they have qualified. They are also confident the 2 projects currently under construction will receive the support for which they are pre-accredited; they qualify for grace periods as a result of the timing and circumstances of their development. Going forwards, Thrive Renewables will invest in projects that either qualify for support because of a grace period, or in projects whose feasibility is not contingent on government support.

The planned replacement support mechanism for low carbon electricity generation is called Feed in Tariff Contracts for Difference (FiT CfD). These offer generators long-term price certainty once they are built. However, presently, the FiT CfD auction processes have had unpredictable timetables, and have focused on a narrow group of technologies, rather than seeking the least cost solutions. This has made it challenging for proven technologies - such as onshore wind, solar PV and hydro - to participate.

BREXIT IMPLICATIONS

The BREXIT referendum in June 2016 created much speculation about the likely impacts on the UK economy. Despite the triggering of Article 50, there is still little clarity on what the UK's relationship with Europe will look like in the years ahead. However, the Directors remain confident in a healthy future for Thrive Renewables.

- The underlying purpose of Thrive Renewables is to contribute to the challenge of addressing climate change. The UK ratified the Paris Agreement in November 2016 and further committed to the Fifth Carbon Budget in June 2016, both demonstrating a clear commitment to continued reductions in the emission of greenhouse gases (GHG). The transition to a smart energy system underpinned by renewable energy continues to represent one of the fastest and cheapest ways to deliver GHG emission reductions.

- Our portfolio relies on wind, rain and solar radiation to generate electricity; BREXIT will not impact the availability of these resources.

- Our revenues are derived from the generation and sale of electricity. The Group receives support under the Feed in Tariff (FiT) and sale of Renewable Obligation (RO) Certificates in addition to the wholesale electricity price in exchange for the electricity generated. The split between support and wholesale income is 52:48. The government continues to honour their commitments under the FiT and RO. International oil and gas prices have an impact on the wholesale electricity price, with over 40% of the UK's electricity being generated using gas. Almost 5% of the UK's power was imported from Europe via subsea interconnectors in 2016. The combination of gas being traded in, and imported electricity being priced in Euros means that the wholesale electricity price is influenced by the Sterling/Euro exchange rate.

  In the 3 months following the referendum in 2016, when the Pound was weak against the Euro, electricity prices increased by 15% against the previous 3 months[22], which was largely attributable to exchange rate movements[23]. The BREXIT process and other world events will continue to have an impact on the currency exchange rates, and therefore wholesale electricity prices. Thrive mitigates wholesale electricity price risk through power sales agreements which benefit from price floors, fixed pricing and indexation.

- It has been speculated that long-term borrowing rates could be more volatile as a result of the BREXIT process. At the end of 2016, Thrive Renewables had £63.4m of debt within the Group. The Group's companies routinely mitigate exposure to interest rate movements. 88% of the Group's debt interest rate exposure is fixed through hedging.

[22] Ofgem

[23] Poyry Independent Market Report Q1 2017

- We may have issues with technology availability and access to suitably qualified and competent contractors. The majority of the Group's electricity generation equipment has been supplied by European companies. The major components are manufactured and sourced from the global equipment markets. As the UK's renewable sector continues to grow, expertise is increasingly locally available for the operation and maintenance of equipment.

- There is an increased exchange rate risk. In addition to the impact of exchange rate on electricity prices described above, much of Thrive's capital equipment (generation equipment) is purchased in Euros. When entering the procurement agreements for this equipment, Thrive hedges its exposure to exchange rate movements.

- In the context of BREXIT, a move to greater energy independence and security of supply may be considered attractive. Renewables can be deployed quickly, do not require imported fuels, and represents some of our lowest cost energy, all of which are attractive attributes in the context of a more independent Britain.

While the uncertainty created by the BREXIT process is unhelpful, the Directors do not presently see any additional material risks to Thrive.

MEASURING OUR IMPACT

We measure the environmental and social impact of our renewable energy projects alongside their financial performance because it is crucial that we generate positive impact as well as financial rewards.

As well as knowing their investment is good for the environment and helping to support communities close to our sites, Thrive investors, and their families, can engage and be part of our impact.

Your Thrive shares make a difference
Our website now includes an impact calculator so you can quickly see the environmental impact of your shareholding. Visit www.thriverenewables.co.uk/calculator and enter the number of shares you own to calculate your impact.

[24] Method used for calculations:

CO_2e saved

CO_2e, or carbon dioxide equivalent, is a standard unit for measuring carbon footprints. The idea is to express the impact of each different greenhouse gas in terms of the amount of CO_2 that would create the same amount of warming.

https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2016

CO2 Reductions (p.a) in Tonnes

CO_2 Reductions (p.a.) in Tonnes BEIS's carbon saving figure (Conversion factors 2016) of 412.05g/kWh. Carbon reduction is calculated by multiplying the installed wind energy capacity in megawatts by the average (onshore + offshore) load factor as a fractional percentage of 1 (e.g. 0.2842), multiplied by the number of hours in the year (8760), multiplied by the number of grammes of CO_2 saved per kilowatt hour, divided by 1000 (to align the units, as grammes of CO_2 is expressed in kWh). So for a generic 2MW turbine: 2 x 0.2842 x 8760 x 412.05/ 1,000 = 2,051.67 tonnes of CO_2 per year, assuming an average load factor (onshore + offshore) of 28.42%. See more at:

http://www.renewableuk.com/page/UKWEDExplained

Homes Powered Equivalent

Homes Powered Equivalent (per annum) http://www.renewableuk.com/page/UKWEDExplained

Calculated using the most recent statistics from the Department of Business, Energy and Industrial Strategy (BEIS) showing that annual UK average domestic household consumption is 3,994kWh.

[25] Calculated using the entire invested portfolio (including the projects in which Thrive has partial share or provided the mezzanine loans).

OUR ENVIRONMENTAL IMPACT[24]

During 2016, our renewable energy portfolio generated 147,778MWh. Our total invested portfolio (ie. including projects we part own or have helped fund) generated 174,412MWh. This is equal to avoiding the emissions of approximately 60,892 tonnes of CO_2e from the owned portfolio (2015: 72,876 tonnes) and 71,866 tonnes of CO_2e from the total invested portfolio. This translates to 12.83[25] tonnes of CO_2e saving per year per average shareholder (based on 3,940 shares). The UK national average of CO_2e emissions generated per person is 7.1 tonnes.

174,412,390
KWH GREEN ENERGY GENERATED FROM TOTAL INVESTED IN PORTFOLIO

43,668
HOMES OR EQUIVALENTS
POWERED FROM THE OVERALL PORTFOLIO THRIVE INVESTED IN

OUR EDUCATIONAL IMPACT

We believe it is essential to engage with communities around our projects, helping groups and individuals to learn more about renewable energy and the sites they live close to.

THRIVE WIND FARM OPEN DAY

During 2016 we welcomed over 200 local residents and Thrive investors to the Ransonmoor wind farm site in Cambridgeshire. Our open days are aimed at families with fun, educational activities ranging from The Wind Farm Game (@WindFarmGame) and ExplorerDome (@ExplorerDome) to face painting, wind farm crazy golf and local organic ice cream and refreshments. Our public events enable adults and children to ask questions directly to our team and to dispel common myths about renewable energy. Thrive investors and local residents speak about the day:

"Very informative and answered all of our questions. I've a lot more of an idea of how it all works. It's nice to talk to someone one-to-one." The Herring family.

"For us it's all about investing for the future in the right way. It's making a contribution to sustainability and it's all about the future." Clare Henry - Investor with partner Jack Easton.

Visit our website news section to learn more and see some pictures from the day.

THE EXPLORERDOME SHOW

ExplorerDome delivers a mobile, inflatable planetarium show commissioned by Thrive. It offers a free educational experience about the environment and renewable energy - with a focus on local wind farms. Each year, the ExplorerDome team travels from Bristol to visit primary schools close to our sites around the country.

In May 2016, they went to Strichen School, Aberdeenshire, Scotland and facilitated a full day of renewable energy shows for the children. This event came just after operations started on nearby wind farm sites at Auchtygills and Clayfords during the successful Buchan bond raise.

In September 2016, the ExplorerDome made a visit to the Lionel Walden School in Doddington, Cambridgeshire – close to our Boardinghouse, Ransonmoor and March sites. Again, the team put on a full day of renewable energy shows – here are some thoughts from a few of the children who took part:

"I enjoyed seeing the stars and the wind turbines. We used torches to help us see in the dark. I loved everything about it and would love to do it all again soon!"
- Amber (Year 6)

"It was excellent and made me think a lot about the stars and planets. I learnt about energy-saving and I now know that wind turbines are even more important than I first thought! I would watch it all over again!" - Kira (Year 6)

The day after the Doddington school visit, the ExplorerDome supported our annual open day at the nearby Ransonmoor site. The day helped to raise awareness of renewable energy and provided information and education on the benefits and efficiencies of wind power.

As part of our AGM in June 2016, shareholders were able to visit the 10.25MW Boardinghouse wind farm following official business. This was well received and allowed shareholders to see first-hand what their investment can achieve.

OUR SOCIAL IMPACT

COMMUNITY BENEFIT PAYMENTS

In line with the planning consent for a number of our sites, Thrive make annual community benefit payments which are administered locally to support a wide range of valuable initiatives. This year, amongst other things, the community benefit funds have facilitated the installation of two potentially life-saving defibrillators in rural locations, with training for nearby residents on using them. They have also contributed expenses for student participation in worthwhile overseas volunteering, and part-funded an extension to a community meeting space. The community benefit payments have also supported a range of opportunities for young people in sports, art and music.

OUR COMMUNITY BENEFIT PROGRAMME

As a responsible operator, we run an annual Community Benefit Programme for communities close to our sites, which is administered by the national energy charity, Centre for Sustainable Energy (CSE). The Community Benefit Programme exists to facilitate energy improvements to community spaces local to our sites. Building representatives can apply for up to £4,000 to make these improvements, which may include insulation, draught-proofing, thermostat controls and lighting. This decreases energy use, making the community spaces more cost effective to operate. It also makes the buildings more comfortable for users, and more accessible to vulnerable groups who may rely on it. The programme also offers advice on free measures that could be adopted to further improve impact.

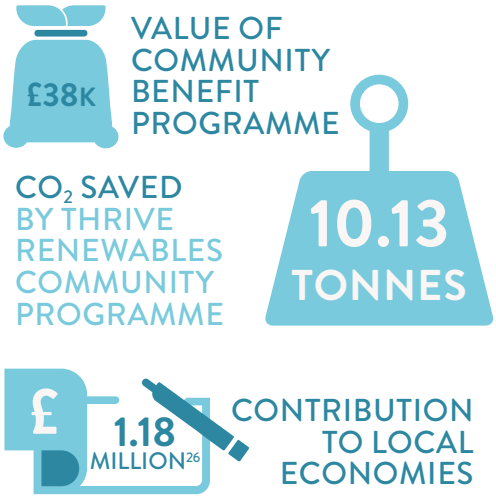
The programme was fully committed during 2016. Eight buildings around the UK made a range of improvements, managing their energy costs more effectively and passing on cost savings to local groups that use the spaces. In addition, advice from CSE in the application process, including in enquiries and downloaded material, further enhances energy awareness and facilitates zero-cost measures (such as switching off lights or adjusting heating controls).

A representative of the Victoria Institute in Caton, Lancashire (based near our Caton Moor site) spoke about the improvements to their local hall:

"I must tell you that there is a very real improvement in the warmth and comfort in the Institute without turning up the heating or using additional heaters. Parts of the building are much less draughty and overall feel warmer since the installation of the two doors and window."

These grants fill a gap between domestic and commercial funding. The impact of this programme is far-reaching, because it provides well-placed information for the local community about both our nearby project and energy-saving measures that could work in their own homes. Because of its success, we have extended the programme into 2017.

News about our events, sites and impact are posted on our website and sent out in a regular email newsletter. You can sign up to receive these newsletters at www.thriverenewables.co.uk/newsletter



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

OPERATIONS

OPERATIONAL REVIEW

UK OVERVIEW OF RENEWABLE GENERATION

The contribution from renewables remains higher than coal or nuclear powered electricity. The reduction in renewable generation from 83.6TWh to 82.8TWh[27] can be attributed to lower than average windiness, rainfall and sun hours, impacting the three main renewable technologies wind, hydro and solar power.

A BELOW AVERAGE WIND YEAR

The wind resources were particularly low in the Autumn of 2016, with average wind speeds 1.7 knots below the 10-year average. We had the calmest October for 16 years. Similarly, there was half as much rainfall in the fourth quarter of 2016 compared to 2015.

The UK's renewables capacity increased by 14% (4,200 MW) during 2016 to a total of 34,700MW. Despite this growth in capacity the proportion of renewable electricity delivered to the UK grid reduced marginally to 24.4% in 2016 from 26.6% in 2015.[28]

OUR OPERATIONAL RESULTS

The exceptional weather conditions in 2016 had an impact on the amount of electricity generated by the Company's portfolio, producing 147,778MWh in 2016, 12.8% lower than the 169,485MWh generated in 2015.

The impact on the Company's generation of the below average natural resources was exacerbated by a series of outages at our largest project, Caton Moor. This occurred in the winter 2015/16, following the flooding in the north west of England. The flooding damaged the regional electricity distribution infrastructure, which is required for the export of electricity from the site. Additionally, a protracted stoppage at Ness Point wind farm while the generator was replaced also contributed to lower generation in 2016.

The Directors have not changed their long-term view of the productivity of the portfolio and continue to base forecasts on long-term analysis prepared by industry experts.

[27] UK statistics in this section taken from https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/604690/Energy_Trends_March_2017.pdf

[28] 1TWh (Terawatt hour) equals 1,000,000,000 kWh (kilowatt hour)

COMPARISON OF 2016 GENERATION AGAINST 2015

SITE	GENERATION COMMENCED	GENERATION 2016 MWH	GENERATION 2015 MWH	GENERATION CHANGE %	SITE INFORMATION
Beochlich	1998	3,404	3,224	5.6%	Damage to the pipe running between the reservoir and power house interrupted production in June. It coincided with a season of low rainfall and was repaired quickly.
Haverigg II*	1998	3,952	4,417	(10.5)%	The technical "availability" of the turbines (time the turbines are available to generate if the wind is blowing) was 96.9%. The reduced generation was entirely due to lower wind resource.
Sigurd	2001	4,200	4,828	(13.0)%	The fall in generation in 2016 was primarily due to lower than forecast wind resource during the year. However, a recurring fault with the gearbox oil cooling during December also contributed. This needed ongoing investigation at year end.
Caton Moor	2006	36,279	44,274	(18.1)%	Major flooding at the end of 2015 made national news headlines and damaged equipment at the nearby grid operator's sub-station. As well as interrupting the power supply to tens of thousands of local homes the damage interrupted our ability to export reliably until the repairs were made. Unfortunately, this coincided with the best of the wind during a generally low wind yield year.
Ness Point	2005	2,597	6,014	(56.8)%	A fault with the generator at the start of the year, which coincided with the best wind speeds of the year, meant the project could not generate until the fault was addressed.
Wern Ddu	2010	18,985	24,644	(23.0)%	The majority of the difference from previous years was due to low wind resource.
Kessingland	2011	12,281	14,199	(13.5)%	One of the turbines is sited in Africa Alive! wildlife park - a popular tourist attraction. The lower generation in 2016 was largely due to lower wind speeds during the year.

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

SITE	GENERATION COMMENCED	GENERATION 2016 MWH	GENERATION 2015 MWH	GENERATION CHANGE %	SITE INFORMATION
Dunfermline	2011	2,362	3,241	(27.1)%	Dunfermline is located at the Pitreavie Business Park – an existing industrial area. It directly supplies a local manufacturing company who benefit from rental income and stable electricity price as well as an environmentally friendly electricity supply. The lower generation was due to lower wind speeds.
Eye	2013	11,722	14,093	(16.8)%	Thrive sells electricity from these turbines directly to a long-established family business on the industrial estate. Any excess is exported to the grid. Technical availability was good and the difference is attributed to lower average wind speeds during the year.
Ransonmoor (Fenpower)*	2013	5,062	6,699	(24.4)%	Thrive Renewables owns 24.9% of this project – an investment that allowed the original developer to progress their next project and new capacity in Boardinghouse wind farm. In September 2016 we were delighted to host a public open day at Ransonmoor and welcomed over 200 guests including local families and investors in Thrive Renewables. Technical availability was good and the year on year difference is attributed to lower average wind speeds.
Severn	2013	17,989	21,312	(15.6)%	The site is constructed on a large waste water treatment plant in one of the largest dock areas in Europe. Look out for the project if you are passing Bristol on the M5 motorway. The difference is attributed to lower average wind speeds during the year. A data feed from the project allows live generation to be shown on our new web site at www.thriverenewables.co.uk/avonmouth - a web page that can become addictive on windy days!
March	2014	4,119	4,664	(11.7)%	As another merchant project, Thrive Renewables own and operate this turbine adjacent to the Cambridgeshire facility of Greenvale AP, a supplier and packer of fresh, quality potatoes. The lower generation was due to lower wind speeds.

SITE	GENERATION COMMENCED	GENERATION 2016 MWH	GENERATION 2015 MWH	GENERATION CHANGE %	SITE INFORMATION
Auchtygills	April 2015	2,141	1,192	80%**	The Auchtygills and Clayfords sites each have a capacity of 800kW. They are unusual in that Thrive Renewables developed these projects from scratch rather than investing after the initial development work.
Clayfords	April 2015	2,010	1,400	44%**	
Boardinghouse*	May 2015	20,675	15,284	35%**	Thrive Renewables own a 75% stake in this project. Our investment allowed the original developers to stay involved and for the project to benefit from their experience of the development process on into operations.
Total		147,778	169,485	(12.8)%	

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

** 2015 was not a full year of generation.

HEALTH AND SAFETY

There were no accidents or incidents notifiable to the Health and Safety Executive (HSE) during 2016 on Thrive Renewables' operational or construction sites (2015 – none). Continuous engagement with staff, contractors and workers on site has provided valuable input to improvements in our site rules and safety arrangements. We remain committed to ensuring compliance with regulations and industry good practice.

In March 2016, Thrive Renewables became fully independent of Triodos Bank. We took the opportunity to review our internal health and safety policy to ensure arrangements incorporated elements previously covered by our management services agreement.

MANAGEMENT OF OPERATIONAL ASSETS

A positive impact of recent changes in government support for selected renewables (particularly subsidy mechanisms and planning policy for onshore wind) has been a renewed industry focus on the efficiency and longevity of operational assets. Thrive Renewables has taken a scalable approach to working with third-party industry specialists for many years – they bring expert technical knowledge and experience to our diverse portfolio. Today we find there is more choice of providers in this field than ever before. External engagements are supported by robust internal procedures and resourcing to support a portfolio that continues to grow, but which is also adapting to current policy with consideration of solar assets, storage and asset life extension.

There is now a live feed of generation from some of our projects onto our new web site – have a look at www.thriverenewables.co.uk/projects

NEW PROJECTS

GEVENS WIND FARM

In November 2015, Thrive agreed a £2.7m mezzanine finance facility with Renewable Energy Ventures (Gevens) Ltd (REVG). REVG have successfully secured all the required rights and permits to build a 6.9MW wind farm in Fife, Scotland, close to Camilla Loch and Loch Gelly. We have provided the

capital to plug the funding gap between the bank debt and the project costs. The project reached financial close in December 2015 and commenced generation on schedule in September 2016.

GREEN BREEZE ENERGY LIMITED

Thrive Renewables has entered a 50:50 joint venture with an experienced Scottish developer called GreenPower. In July 2016 the Company jointly acquired Green Breeze Energy Limited, a company with rights to construct Drumduff Wind Farm. This three-turbine project is located on an old, disused open cast coal mine to the north of Blackridge in West Lothian. Construction has commenced and is due to be completed with the first export to the grid in early summer 2017. The financial close on the project was achieved on 24 January 2017 having agreed the turbine supply agreement, civil and electrical contract and the senior debt funding package from Santander UK.

We are expecting the project to qualify for Renewables Obligation Certificates (ROCs) under the investment grace period. Energisation is planned for summer 2017 ahead of the deadline for ROC qualification in January 2018. Once built, the 6MW project is forecast to generate enough renewable electricity to meet the annual demand of 5,400 UK homes.

BROTHERTON

On 26 January 2017, Thrive Renewables agreed a £1.48m mezzanine finance facility with Renewable Energy Ventures (Brotherton) Ltd (REVB) through its subsidiary Brunel Wind Ltd. REVB have successfully secured all the required rights and permits to build a 4.6MW wind farm located within the Brotherton Estate near Johnshaven in Aberdeenshire, Scotland. Thrive Renewables has provided the capital required for the project construction in combination with senior debt and the developer's own equity. The project is progressing ahead of schedule and it plans to start delivery of electricity to the grid by end of June 2017. The two 2.3MW Enercon E82 turbines are just under 100 meters tall and when fully operational are expected to generate enough renewable electricity to meet the annual demand of 3,154 UK homes. We are expecting the project to qualify for Renewables Obligation Certificates (ROCs) under the investment grace period. The deadline for the qualification is 31 January 2018.

SHERIFFHALES

In February 2017, Thrive Renewables invested in a solar PV project by providing a £1.7m mezzanine loan to the Community Interest Company (CIC) that owns the operational solar project Sheriffhales, located in Shropshire. This is the first time that Thrive has invested into a CIC structure, which is a new form of legal entity introduced specifically to facilitate community ownership. The CIC is managed by Mongoose Energy and a community share issue is planned to launch within the next 12 months. Banks typically lend 70-80% of project capital costs, with developers or communities still needing to find the remaining 20-30%. Our investment was therefore key for the CIC acquiring this asset, and the community now has time to raise the funds and acquire shares in the project.

Over the coming months, the community will be invited to get involved in the 3.174MWp solar farm and establish a rewarding connection with the site. The site is expected to generate enough renewable electricity to meet the annual demand of 796 UK homes.

FINANCE

FINANCIAL REVIEW

The Group results are a statutory pre-tax loss of £891,000 for the year ended 31 December 2016 compared to a pre-tax profit of £2,310,000 in 2015 (after positive impact of IFRS transition adjustments of £249,000). The statutory results under IFRS include movements on the fair values of financial instruments (loss of £603,000 in 2016 and a gain of £249,000 in 2015). Excluding the impact of market-based financial instrument gains and losses, the underlying pre-tax loss in 2016 was £287,000, decreased from a profit of £2,061,000 in 2015. This result was affected by a number of factors:

- The existing portfolio experienced reduced availability and wind speeds amounting to 34,882MWh of decreased generation compared to 2015 (21%).
- The net impact of the increased capacity and the reduced generation was £1,617,000 reduction in revenues from the previous year due to poor wind speeds.
- Additional costs from the increased capacity were £745,000 direct costs, £25,000 additional administrative cost, £172,000 net interest costs and £20k reduction in share of associated profits. Increased interest receivable from the loans provided to developers was £230,000. This totalled £732,000 additional costs.
- The net impact compared to 2015 was a decrease in pre-tax profit of £2,349,000.

The reduction in output occurred despite the full year addition of Auchtygills, Clayfords and Boardinghouse which was projected to have contributed 13,175MWh (6%) of increased generation.

	2016 £	2015 £	2014 £	2013 £
(Loss)/Profit before tax before adjustments	(287,249)	2,061,394	1,659,446	1,732,256
Fair value adjustments	(603,305)	248,530	(1,755,174)	(144,245)
(Loss)/Profit before Tax under IFRS	(890,554)	2,309,924	(95,728)	1,588,011

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

TURNOVER SUMMARY BY OPERATING SITE

SITE	DATE ACQUIRED	2016 £'000	2015 £'000	2014 £'000	2013 £'000	2012 £'000	2011 £'000	2010 £'000
Beochlich	1998	288	313	242	342	335	243	207
Haverigg II	1998	364	433	416	375	360	280	208
Ness Point	2005	224	561	605	440	580	485	574
Caton Moor	2006	2,861	3,439	3,604	3,571	3,030	3,790	2,305
Sigurd	2006	365	265	202	189	206	185	172
Wern Ddu	2009	1,551	2,138	1,843	1,946	1,744	2,129	1,010
Kessingland	2010	1,470	1,703	1,680	1,522	1,528	746	-
Dunfermline	2011	411	589	513	494	472	61	-
Eye	2012	1,258	1,446	1,599	1,034	-	-	-
Severn	2012	1,443	1,752	1,634	190	-	-	-
March	2013	661	747	95	-	-	-	-
Auchtygills	2007	268	144	-	-	-	-	-
Clayfords	2007	249	165	-	-	-	-	-
Boardinghouse	2014	2,122	1,457	-	-	-	-	-
Other	N/A	7	6	-	-	-	-	-
		13,541	15,158	12,433	10,103	8,255	7,919	4,476

On 31 December 2016, the Group held £18,566,000 of cash compared to £8,229,000 in 2015. This is an increase on the previous year as a Company bond closed in December 2016 and investments were then made in 2017 (see post Balance Sheet Events note). Cash reserves are held in the business for working capital requirements and debt service reserves. The Group's net debt at 31 December 2016 was £44,798,000 (2015: £47,853,000), a decrease of £3,055,000 over the previous year as a result of repayments of debt financing and cash generated from renewable assets. The ratio of net debt to fixed assets at 31 December 2016 was 52% compared to 54% in 2015.

Despite poor financial and operating performance in 2016, the Directors still consider that Thrive Renewables remains in a strong financial position to progress in the future.

GOING CONCERN

Thrive Renewables operates within the electricity industry, which is subject to both high-level regulation and long-term government support. The Group owns operational capital assets and has the benefit of long-term contracted revenues with electricity companies. The Directors

consider that these factors provide confidence over future forecast income streams. In addition, the Directors consider that Thrive and the Group have sufficient cash funds and finance facilities available for their ongoing operations.

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

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

PRICE RISK

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

INTEREST RATE RISK

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

CREDIT RISK

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

FOREIGN EXCHANGE RISK

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

OPERATING RISK

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

CASH AND LIQUIDITY RISK

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

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

Typically the Group ensures that it has sufficient facilities to meet foreseeable operational expenses. At the year end the group had available facilities of £18.6m (2015: £8.2m).

GOVERNMENT POLICY

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

PAYMENT POLICY

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

Approved by the Board of Directors and signed on behalf of the Board

Katrina Cross
Secretary

DIRECTORS' REPORT

THE DIRECTORS PRESENT THEIR ANNUAL REPORT ON THE AFFAIRS OF THE GROUP, TOGETHER WITH THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT, FOR THE YEAR ENDED 31 DECEMBER 2016.

The Directors present their Annual Report on the affairs of the Group, together with the audited consolidated financial statements and auditor's report, for the year ended 31 December 2016.

At the General Meeting on 26 February 2016, shareholders agreed to change the name of the Company from Triodos Renewables Plc to Thrive Renewables Plc and to buy back the "A" share held by Triodos Bank since the Company was founded in 1994. Therefore, on 29 February 2016 the Company officially changed its name to Thrive Renewables Plc.

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

Information about the use of financial instruments by the Company and its subsidiaries is given in note 17 to the financial statements.

DIRECTORS

The current Directors of the Company are shown on page four. All Directors served throughout the financial year and to date, except as noted below:

Triodos Corporate Officer Limited (resigned 29 February 2016)

Charles Middleton (appointed 20 July 2016)

Katrina Cross (appointed 1 November 2016)

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

	50P ORDINARY SHARES FULLY PAID	
DIRECTOR	2016	2015
Matthew Clayton	687	687
Katrina Cross	-	-
Katie Gordon	-	-
Charles Middleton	-	-
Colin Morgan	4,384	4,384
Simon Roberts	531	522
Tania Songini	-	-
Peter Weston	2,631	2,631

DIVIDENDS

The recommended dividend for 2015 of 4p per share was paid in July 2016. Despite poor performance in 2016, based on the reserves of the Company the Directors recommend a dividend of 4p per share for payment in 2017.

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

CORPORATE GOVERNANCE AND QCA CODE ADOPTION

As Thrive Renewables continues to grow, it has been important to develop the Company's governance to appropriately reflect the scale and nature of the operation uniting 5,585 shareholders. Thrive has decided to adopt the Quoted Companies Alliance Code (QCA Code) and is progressively, where it did not already do so, incorporating additional information into the Annual report and Accounts to fully comply with QCA requirements by the next financial year. The code sets out governance guidance and best practice appropriate for companies of the scale of Thrive Renewables. While Thrive Renewables is not listed on any stock exchange, the QCA code is largely relevant. The new website www.thriverenewables.co.uk already hosts more information and will continue to be amended in accordance with the QCA code.

During 2016, the Directors focused on consolidating good governance practice, including a review and strengthening of Delegation of Authorities, division of responsibilities between Chair and MD, and a review of the Terms of Reference of Board Committees. Additionally, we have now established a Remuneration Committee (RC) to the Board committees. The RC

completes the required committees with the Audit Committee and the Nominations Committee already in place. Thrive also maintains an Operations Health and Safety Committee reflecting the importance of health, safety, environment and the quality of our operations. The membership of the committees reflects the expertise of the non-executive Board members.

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

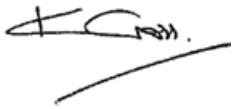
INDEPENDENT AUDITORS

In the case of each of the persons who are Directors of the Company at the date when this report is approved:

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

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

The financial statements on pages 49 to 90 were approved by the Board of Directors on 19 May 2017 and signed on its behalf by:



Katrina Cross
Secretary

BOARD OF DIRECTORS, MANAGEMENT AND ADMINISTRATION

BOARD OF DIRECTORS

SIMON ROBERTS OBE
Chair

Simon has spent more than 30 years helping people, organisations and policy-makers change the way they think and act on energy. For the last 15 years, he has been Chief Executive of the Centre for Sustainable Energy (CSE), one of the UK's leading energy charities. Prior to this, he held senior roles at Friends of the Earth and Triodos Bank. He was Managing Director of Thrive Renewables (when it was The Wind Fund) from 2000-2002.

An experienced policy analyst and strategist, Simon is a specialist advisor to government, industry and academic bodies, including Ofgem on low carbon network regulatory policy, and the government on the UK's plans to cut carbon emissions. He was a member of the government's Renewables Advisory Board from 2002 to 2010. Simon is a non-executive Director of Bristol Green Capital Partnership CIC. He was awarded an OBE in 2011 for services to the renewables industry.

MATTHEW CLAYTON
Managing Director

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

TANIA SONGINI
Non-Executive Director

Tania joined the Board as Chair of the Audit Committee on 22 October 2015. She has recently embarked on a portfolio career of non-executive Director roles and business consulting work. Tania is also Treasurer and Trustee on the board of Bond, the British network of NGOs working in international development. Previously, Tania was Director of Finance and Operations for the International Rescue Committee (IRC) UK, a charity supporting people uprooted by conflict or natural disaster. Prior to IRC, Tania worked for leading global engineering and technology services company Siemens, joining in 1997 as a commercial bid and project manager. Tania progressed to hold a number of Finance Director and Non-Executive Board Director roles at Siemens, including for Siemens Energy in the UK where she was also Controller for Siemens Energy North West Europe region. Tania is the Chair of ViaNinos UK, a charity she established in the UK in 2009 that supports projects helping street and working children in Ecuador.

PETER WESTON
Non-Executive Director

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

KATIE GORDON
Non-Executive Director

Katie is Director of Responsible Investment and Stewardship at CCLA, the largest UK fund manager for Socially Responsible Investment (SRI) (Extel 2015), where she is leading the public health engagement programmes. Prior to joining CCLA, Katie was head of SRI at Cazenove Capital Management for 12 years, where she initiated, led and developed the SRI offering across the entire investment process. Previous board positions include as a trustee of Durrell Wildlife Conservation Trust and as a board Director of UK Sustainable Investment and Finance (UKSIF). Katie was a founder Director of Swordfish, a brand strategy consultancy, and is currently the independent member of the Investment Committee of Durrell Wildlife Conservation Trust and a trustee of the Durrell Wildlife Conservation Trust UK board.

COLIN MORGAN
Non-Executive Director

Colin is a Chartered Engineer who has worked in the renewable energy industry since 1987 - primarily on the development, construction and operation of projects. He also works as a consulting engineer in Everoze, a technical and commercial clean energy consultancy of approximately 30 staff, which he co-founded. Previously, he grew and ultimately led one of the global regions for DNV GL – at the time the world's leading renewable energy consultancy – including having overall profit and loss responsibility for a team of 400 staff. He is a graduate of Imperial College London, a qualification supplemented throughout his career by ongoing technical training as well as training in contract management, leadership and governance. Colin's technical specialisms include: wind turbine design and analysis, research into wind farm wake effects, wind and energy resource assessment, and technical due diligence of projects for vendors, lenders and investors.

CHARLES MIDDLETON
Non-Executive Director

Charles has spent most of his career in banking, initially at Barclays where he worked in the UK and overseas in India, Botswana and the Caribbean. More recently he was Managing Director of Triodos Bank in the UK for 14 years, developing his interest in supporting environmental and social projects. During this time he was actively involved in the development of Triodos Renewables up until the moment it became Thrive Renewables. Charles qualified as a Psychotherapist in 2014 and since leaving Triodos in June 2016 he has developed his practice in counselling and coaching as well as pursuing his interest in the area of sustainable finance and investing. He is the Chair of ChildHope an organisation that works with street children across the world and is a Trustee of Freedom From Torture who support victims of torture and work to eradicate all forms of torture wherever it occurs.

KATRINA CROSS
Finance Director and Company Secretary

Katrina joined Triodos Bank in 2012 as Head of Finance and Operations for Investment Management UK, which provided the financial and administrative support functions to Triodos Renewables and investment funds managed by the bank in the UK. In 2015, Katrina left Triodos to set up her own business but continues to provide Finance Director Services to Thrive Renewables and was appointed as Director in November 2016. Katrina is a qualified accountant, trained with a general practice and Coopers & Lybrand tax division and spent seven years with Watts Gregory as head of audit with a wide range of clients including charities, SMEs and large private companies. Prior to joining Thrive Renewables, Katrina spent seven years as a Finance Director of an environmental company that remediated contaminated land. During this time, Katrina steered the company to profitable sustained growth which resulted in the company being purchased by a Canadian public company looking to expand in the UK. Working for Thrive Renewables enables Katrina to work towards providing robust financial returns to investors whilst delivering strong social and environmental benefit.

EXECUTIVE MANAGEMENT TEAM

MATTHEW CLAYTON
Managing Director

See previous in the Board section

KATRINA CROSS
Finance Director and Company Secretary

See previous in the Board section

MONIKA PAPLACZYK
Senior Investment Manager

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

ADRIAN WARMAN
Operations Manager

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

RACHEL GLENDINNING
Communications Manager

Rachel joined Thrive Renewables in 2016 following independence of Triodos Bank and now completes the management team. She has a BA Hons in Public Relations and is a member of the Chartered Institute of Public Relations (CIPR). With over 12 years' experience in delivering communications, public engagement and integrated marketing campaigns, Rachel has worked across a number of industries for companies including HP, Airbus, Environment Agency, NHS and Aviva. Rachel's role focuses on building relationships with our shareholders, reaching new investors and establishing Thrive's presence as a leading renewables company in the UK.

DIRECTORS' RESPONSIBILITIES STATEMENT

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

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

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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that the financial statements comply with the Companies Act 2006 and, as regards the financial statements, Article 4 of the IAS Regulation.

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THRIVE RENEWABLES PLC

REPORT ON THE FINANCIAL STATEMENTS

OUR OPINION

In our opinion:

- Thrive Renewables Plc's Group financial statements and parent company financial statements (the "financial statements") give a true and fair view of the state of the Group's and of the parent company's affairs as at 31 December 2016 and of the Group's loss and cash flows for the year then ended;
- the Group financial statements have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

WHAT WE HAVE AUDITED

The financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), comprise:

- the Consolidated Balance Sheet as at 31 December 2016;
- the Company Balance Sheet as at 31 December 2016;
- the Consolidated Profit and Loss Account for the year then ended;
- the Consolidated Cash Flow Statement for the year then ended;
- the Consolidated Statement of Changes in Equity for the year then ended;
- the Company Statement of Changes in Equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the Group financial statements is IFRSs as adopted by the European Union, and applicable law. The financial reporting framework that has been applied in the preparation of the parent company financial statements is United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice), and applicable law. In applying the financial reporting framework, the Directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the Group, the parent company and their environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic report and the Directors' report. We have nothing to report in this respect.

OTHER MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

ADEQUACY OF ACCOUNTING RECORDS AND INFORMATION AND EXPLANATIONS RECEIVED

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

DIRECTORS' REMUNERATION

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of Directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT

OUR RESPONSIBILITIES AND THOSE OF THE DIRECTORS

As explained more fully in the Directors' responsibilities statement set out on page 44, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) (ISAs (UK & Ireland)). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the parent company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

WHAT AN AUDIT OF FINANCIAL STATEMENTS INVOLVES

The audit has been conducted in accordance with ISAs (UK and Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud and error. This includes an assessment of:

- whether the accounting policies are appropriate to the Group's and the parent company's circumstances and have been consistently applied and adequately disclosed;

- the reasonableness of significant accounting estimates made by the Directors; and

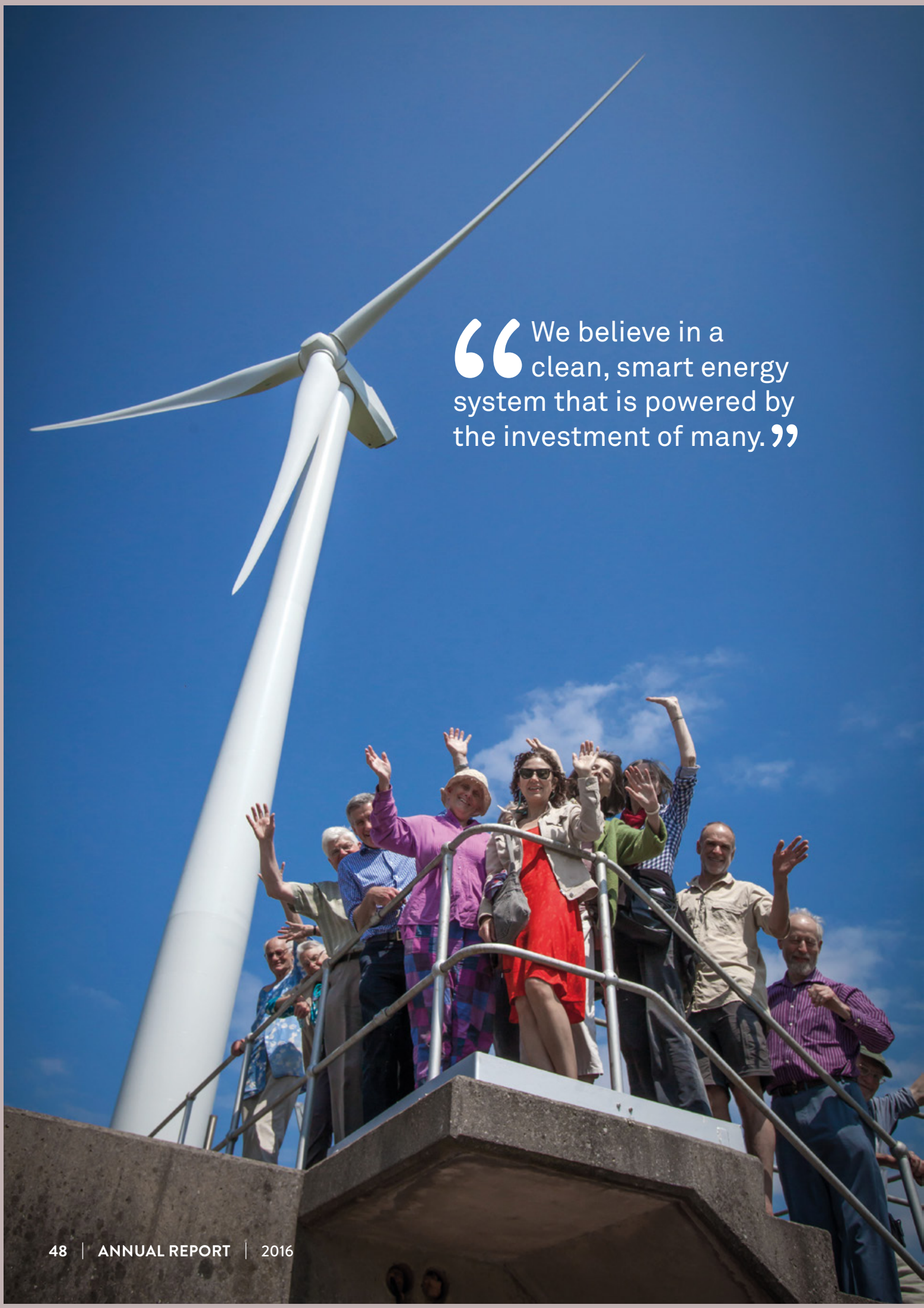
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the Directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Strategic report and Directors' report, we consider whether those reports include the disclosures required by applicable legal requirements.

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



“We believe in a clean, smart energy system that is powered by the investment of many.”

FINANCIAL STATEMENTS

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2016

	NOTE	2016 £	2015 £
TURNOVER	5	13,541,316	15,157,793
Cost of sales		(7,960,883)	(7,217,081)
GROSS PROFIT		5,580,433	7,940,712
Administrative expenses		(2,839,604)	(2,814,491)
OPERATING PROFIT	6	2,740,829	5,126,221
Share of associated company operating profit	7	115,668	135,650
Interest receivable and similar income	8	317,628	88,705
Interest payable and similar charges	10	(3,461,374)	(3,289,182)
Movement in fair value of derivative financial instruments		(603,305)	248,530
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(890,554)	2,309,924
Tax on profit/(loss) on ordinary activities	11	463,772	85,445
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		(426,782)	2,395,369
Minority interests	23	31,289	(29,352)
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		(395,493)	2,366,017

All of the activities of the group are classed as continuing.

The group has no comprehensive income or losses other than the profit/(loss) for the current and the prior financial year. Accordingly, no separate statement of total comprehensive income and expense has been presented.

CONSOLIDATED BALANCE SHEET

AT 31 DECEMBER 2016

	NOTE	2016 £	2015 £
FIXED ASSETS			
Goodwill	13	3,534,747	3,534,747
Tangible assets	14	59,854,422	63,670,409
Other intangible assets	15	15,902,547	16,671,970
Investments – associates	16	2,079,285	1,987,272
Investments – loans and joint ventures	16	3,909,778	2,735,563
Derivative financial instruments	17	99,953	175,049
Deferred tax asset	21	105,872	311,894
		85,486,604	89,086,904
CURRENT ASSETS			
Debtors	18	7,031,049	7,485,526
Cash at bank and in hand		18,566,181	8,229,120
		25,597,230	15,714,646
CURRENT LIABILITIES			
Trade and other creditors	19	(4,261,456)	(4,841,611)
Current tax liabilities		-	(11,276)
Borrowings	20	(3,914,253)	(3,436,916)
		(8,175,709)	(8,289,803)
NET CURRENT ASSETS		17,421,521	7,424,843
TOTAL ASSETS LESS CURRENT LIABILITIES		102,908,125	96,511,747
NON-CURRENT LIABILITIES			
Borrowings	20	(59,449,440)	(52,644,915)
Derivative financial instruments	17	(2,236,098)	(1,707,889)
Deferred tax liabilities	21	(5,797,658)	(6,467,458)
NET ASSETS		35,424,929	35,691,485
CAPITAL AND RESERVES			
Called up share capital	22	11,001,207	10,770,830
Share premium account		23,659,472	22,855,797
Capital redemption reserve		14,210	14,210
Profit and loss account		(620,673)	653,798

CONSOLIDATED BALANCE SHEET CONTINUED

AT 31 DECEMBER 2016

	NOTE	2016 £	2015 £
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		34,054,216	34,294,635
Minority interests	23	1,370,713	1,396,850
TOTAL EQUITY		35,424,929	35,691,485

The financial statements of Thrive Renewables Plc, registered number 02978651, were approved by the Board of Directors and authorised for issue on 19 May 2017.

Signed on behalf of the Board of Directors

Matthew Clayton
Director

Simon Roberts
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2016

	CALLED UP SHARE CAPITAL £	SHARE PREMIUM ACCOUNT £	CAPITAL REDEMPTION RESERVE £	PROFIT AND LOSS ACCOUNT £	TOTAL £
At 1 January 2015	10,401,101	21,538,533	14,210	(607,933)	31,345,911
Profit/(loss) for the financial year	-		-	2,366,017	2,366,017
Shares issued (net of issue costs and redemption costs)	369,729	1,317,264	-	-	1,686,993
Dividends	-	-	-	(871,525)	(871,525)
Acquisition of non-controlling interest	-	-	-	(232,761)	(232,761)
At 31 December 2015	10,770,830	22,855,797	14,210	653,798	34,294,635
Profit/(loss) for the financial year	-	-	-	(395,493)	(395,493)
Shares issued (net of issue costs and redemption costs)	230,377	803,675	-	-	1,034,052
Dividends	-	-	-	(878,978)	(878,978)
Conversion of share premium a/c	-	-	-	-	-
At 31 December 2016	11,001,207	23,659,472	14,210	(620,673)	34,054,216

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2016

	NOTE	2016 £	2015 £
Net cash from operating activities	25	4,769,298	6,948,089
Investing activities			
Interest received		317,628	88,705
Purchases of tangible and intangible fixed assets		(498,542)	(8,130,543)
Acquisitions		(519,193)	(1,332,442)
New loan investment		(1,174,215)	(2,735,563)
Decrease in current asset investment		-	-
Net cash used in investing activities		(1,874,322)	(12,109,843)
Financing			
New share capital		1,045,918	2,338,848
Share capital bought back		-	(590,230)
Share issue costs		(11,866)	(61,625)
New loans raised		10,722,191	7,732,211
Equity dividends paid		(878,978)	(871,525)
Repayment of borrowings		(3,440,329)	(3,228,538)
Dividends received		23,656	-
Minority interest dividends		(18,507)	-
Net cash inflow from financing		7,442,085	5,319,141
Net increase in cash and cash equivalents	26 & 27	10,337,061	157,387
Cash and cash equivalents at beginning of year		8,229,120	8,071,733
Cash and cash equivalents at end of year		18,566,181	8,229,120

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2016

1. GENERAL INFORMATION

Thrive Renewables Plc is a public Company limited by shares and incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on page 4. The principal activities of the Company and its subsidiaries (the Group) and the nature of the Group's operations are set out in the strategic report on pages 11 to 35.

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

2. ADOPTION OF NEW AND REVISED STANDARDS

New standards, amendments and interpretations adopted by the group.

The following standards have been adopted by the Group for the first time for the financial year beginning on or after 1 January 2016. They do not materially impact on the Group results:

- Annual improvements 2010 – 2012
- Annual improvements 2012 – 2014
- Amendment to IFRS 11, 'Joint arrangements' on acquisition of an interest in a joint operation
- Amendment to IAS 16, 'Property, plant and equipment' and IAS 38,'Intangible assets', on depreciation and amortisation
- Amendments to IFRS 10 'Consolidated financial statements' and IAS 28 'Investments in associates and joint ventures'

New and revised IFRSs in issue but not yet effective
At the date of authorisation of these financial statements, the Group has not applied the following new and revised IFRSs that have been issued but are not yet effective and (in some cases) had not yet been adopted by the EU.

Amendments to IAS 12	Recognition of Deferred Tax Assets for Unrealised Losses
IFRS 16	Leases
Amendments to IFRS 10, IFRS 12 and IAS 28	Investment Entities: Applying the Consolidation Exception
Amendments to IAS 1	Disclosure Initiative
Annual Improvements to IFRSs: 2012-2014 Cycle	Amendments to IFRS 5, IFRS 7 and IAS 19

Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
Amendments to IAS 27	Equity Method in Separate Financial Statements
IFRS 9	Financial Instruments
IFRS 15	Revenue from Contracts with Customers
Amendments to IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to IFRS 11	Accounting for Acquisitions of Interests in Joint Operations

At this stage, management have not applied these new standards in the preparation of these consolidated financial statements. Management has yet to fully assess the impact of IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers which are both effective for the group and its 2018 financial statements. There are no other standards or interpretations that are not yet effective, that are expected to have a material effect on the Group's net assets or results.

3. SIGNIFICANT ACCOUNTING POLICIES

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

Basis of accounting

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as value in use in IAS 36 Impairment.

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies adopted are set out below.

Basis of consolidation

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

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

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

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

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

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

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

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

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

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an

acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

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

Going concern

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

Business combinations

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

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

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

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

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

and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

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

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified.

Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is re-measured at subsequent reporting dates at fair value with the corresponding gain or loss being recognised in profit or loss.

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

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

Goodwill

Goodwill is initially recognised and measured as set out above.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The group's policy for goodwill arising on the acquisition of an associate is described below.

Associates

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

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

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

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

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

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

When the Group reduces its ownership interest in an associate but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

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

Revenue recognition

Turnover, which is stated net of value added tax, comprises charges to and accrued income from customers in relation to the Group's principal activities in the UK. Turnover from the supply of energy is recognised upon delivery. Turnover derived from government-administered incentive schemes for renewable energy generation is estimated and accrued based on the terms of the schemes.

Leases

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

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

Foreign exchange

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

Borrowing costs

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

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

Operating profit

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

Retirement benefit costs

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

Pension costs

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

Taxation

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

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised only to the extent that the Directors consider that it is probable that there will be suitable taxable profits against which deductible temporary differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date.

Tangible fixed assets

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

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

Assets under construction are not depreciated.

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

Current asset investments

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

Investments

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

Intangible fixed assets acquired separately

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

Power purchase agreements	5% per annum

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

Intangible assets acquired in a business combination

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

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

Development rights	5% per annum

Internally generated intangible assets – development expenditure

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

Impairment of tangible and intangible assets excluding goodwill

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

An intangible asset with an indefinite useful life is tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

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

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

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

Financial instruments

Financial assets and financial liabilities are recognised in the company's balance sheet when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are

directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

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

Effective interest method

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

Loans and receivables

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

Financial assets at FVTPL

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

A financial asset is classified as held for trading if:

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

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

Impairment of financial assets

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

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

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

Financial liabilities and equity

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

Equity instruments

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

Financial liabilities

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

Financial liabilities at FVTPL

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

A financial liability is classified as held for trading if:

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

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

Other financial liabilities

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

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

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

Derivative financial instruments

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

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

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

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

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in note 3 above, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimate are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Impairment of goodwill and intangible assets

Determining whether goodwill and intangibles are impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit over its estimated operational life and a pre-tax discount rate of 10% is used in order to calculate present value. Forecast wind volumes are based on wind studies carried out at the commencement of each project, adjusted for experience as necessary. Electricity prices are determined with reference to externally sourced forward price curves, on contracted rates as appropriate. Forecasts cover the expected life of each project. The carrying amount of goodwill and intangibles at the balance sheet date was £3.5 million and £15.9m respectively; there is no evidence of impairment.

Fair value measurements and valuation processes

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

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

5. SEGMENTAL ANALYSIS

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

6. OPERATING PROFIT

OPERATING PROFIT IS STATED AFTER CHARGING:	2016 £	2015 £
Auditor's remuneration:		
- audit of the parent company accounts	20,000	13,070
- audit of subsidiary accounts	50,000	55,667
- tax and other services	44,000	85,397
Depreciation	4,214,388	3,859,217
Amortisation	1,312,523	1,222,127
Loss on disposal of fixed assets	76,233	-
Foreign exchange losses	28,709	15,930
Operating leases – other	531,736	448,927

7. SHARE OF ASSOCIATED COMPANY OPERATING PROFIT

	2016 £	2015 £
Share of associate's operating profit - Fenpower Limited	115,668	135,650
	115,668	135,650

All results from the Group's associates arose from continuing operations.

8. INTEREST RECEIVABLE

	2016 £	2015 £
Interest receivable	317,628	88,705
	317,628	88,705

Interest receivable for the year includes interest on a loan of £2.7m provided to Renewable Energy Ventures (Gevens) Limited in 2015 and a new loan of £1.7m provided to Green Breeze Energy Holdings Limited in 2016.

9. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

GROUP AND COMPANY	2016 £	2015 £
The remuneration of Directors was as follows:		
Directors' emoluments	124,853	50,268

No pension contributions were paid on behalf of the non-executive Directors in either year.

Until 29 February 2016, executive Directors were remunerated by Triodos Bank under the management agreement which was in place until this date.

EMPLOYEE COSTS (INCLUDING DIRECTORS) WERE AS FOLLOWS:	2016 £	2015 £
Wages and salaries	315,214	49,575
Social security costs	29,729	5,727
Other pension costs	20,652	4,832
Total cost	365,595	60,134

During 2016 the average number of employees was 7 (2015: 1).

Until the 29 February 2016, under the terms of the 'Provision of Fund Management Services Agreement', Triodos Bank was responsible for the management and the administrative running of the Group and therefore paid all staff apart from the Operations Manager.

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

10. INTEREST PAYABLE AND SIMILAR CHARGES

	2016 £	2015 £
Bank loans	2,943,495	2,764,182
Other loans	517,879	525,000
	3,461,374	3,289,182

11. TAX ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES

	2016 £	2015 £
Current taxation		
United Kingdom corporation tax:	-	-
Current tax on income for the year at 20% (2015: 20.9%)	-	-
Adjustment in respect of previous years	6	(3,777)
Share of associate's tax (credit)/charge	-	-
	6	(3,777)
Deferred taxation		
Origination and reversal of timing differences	(63,137)	560,194
Adjustments in respect of previous years	(142,332)	19,844
Effect of decreased tax rate	(258,309)	(661,706)
Tax on profit/(loss) on ordinary activities	(463,772)	(85,445)

The difference between the current taxation shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit/(loss) before tax is as follows:

	2016 £	2015 £
Profit/(loss) on ordinary activities before tax	(890,554)	2,309,924
Profit/(loss) on ordinary activities at average standard rate of corporation tax in the UK of 20% (2015: 20.9%)	(178,111)	483,323
Effects of:		
Expenses not deductible for tax purposes	92,888	117,577
Adjustment in respect of previous years	(142,311)	16,067
Effect of future reduction in tax rate	(237,713)	(661,706)
Tax in respect of associate/minority interest	-	(42,369)
Deferred tax not recognised	1,739	1,663
Effect of losses/group relief/other reliefs	(264)	-
	(463,772)	(85,445)

The standard rate of corporation tax for the accounting year is 20% (2015: 20.9%, being a mix of 21% up to 31 March 2015 and 20% from 1 April 2015).

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2015 (on 26 October 2015) and Finance Bill 2016 (on 7 September 2016). These include reductions to the main rate to reduce the rate to 19% from 1 April 2017 and to 17% from 1 April 2020. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

12. DIVIDENDS

	2016 £	2015 £
Amounts recognised as distributions to equity holders in the period:		
Final dividend for the year ended 31 December 2016 of 4p (2015: 4p) per share	878,978	871,525

13. GOODWILL

COST	£
Opening balance at 1 January 2015	3,534,747
Additions	-
Balance at 31 December 2015	3,534,747
Additions	-
Balance at 31 December 2016	3,534,747
Accumulated impairment losses	
At 31 December 2016 and 31 December 2015	-
Net book value	
At 31 December 2016	3,534,747
At 31 December 2015	3,534,747

14. TANGIBLE FIXED ASSETS

GROUP	FIXTURES AND FITTINGS	LAND AND BUILDINGS	PLANT AND MACHINERY	ASSETS UNDER CONSTRUCTION	TOTAL
	£	£	£	£	£
Cost					
At 1 January 2015	-	325,000	64,508,920	9,896,743	74,730,663
Additions	-	-	8,220,322	-	8,220,322
Transferred	-	-	9,896,743	(9,896,743)	-
At 1 January 2016	-	325,000	82,625,985	-	82,950,985
Additions	15,805	-	458,829	-	474,634
Disposals	-	-	(175,000)	-	(175,000)
At 31 December 2016	15,805	325,000	82,909,814	-	83,250,619
Accumulated depreciation					
At 1 January 2015	-	226,667	15,194,692	-	15,421,359
Charge for the year	-	15,500	3,843,717	-	3,859,217
At 1 January 2016	-	242,167	19,038,409	-	19,280,576
Charge for the year	3,951	15,500	4,194,937	-	4,214,388
Depreciation on disposals	-	-	(98,767)	-	(98,767)
At 31 December 2016	3,951	257,667	23,134,579	-	23,396,197
Net book value					
At 31 December 2016	11,854	67,333	59,775,235	-	59,854,422
At 31 December 2015	-	82,833	63,587,576	-	63,670,409

Cumulative finance costs of £1,624,707 (2015 - £1,624,707) have been included in the cost of tangible fixed assets.

15. OTHER INTANGIBLE ASSETS

	DEVELOPMENT COSTS	POWER PURCHASE AGREEMENT	TOTAL
	£	£	£
Cost			
At 1 January 2015	25,144,955	279,975	25,424,930
Additions	51,565	-	51,565
At 1 January 2016	25,196,520	279,975	25,476,495
Additions	543,100	-	543,100
At 31 December 2016	25,739,620	279,975	26,019,595
Accumulated depreciation			
At 1 January 2015	7,435,543	146,855	7,582,398
Charge for the year	1,208,128	13,999	1,222,127
At 1 January 2016	8,643,671	160,854	8,804,525
Charge for the year	1,298,525	13,998	1,312,523
At 31 December 2016	9,942,196	174,852	10,117,048
Net book value			
At 31 December 2016	15,797,424	105,123	15,902,547
At 31 December 2015	16,552,849	119,121	16,671,970

16. INVESTMENTS

INVESTMENT IN ASSOCIATES – GROUP	£	£
Share of net assets		
At 1 January 2015		690,958
Share of operating profit	234,537	
Share of interest receivable	577	
Share of interest payable	(103,111)	
Share of tax payable	(38,808)	
Share of associated company profit		93,195

INVESTMENT IN ASSOCIATES – GROUP (CONTINUED)	£	£
Share of net assets		
At 1 January 2016		784,153
Share of operating profit	419,833	
Share of interest receivable	1,801	
Share of interest payable	(211,378)	
Share of tax payable	(94,588)	
Share of associated company profit		115,668
Dividends paid		(23,656)
Additions – joint venture		1
At 31 December 2016		876,166

GOODWILL	£
At 1 January 2016	1,203,119
At 31 December 2016	1,203,119

TOTAL INVESTMENT VALUE	£
At 1 January 2016	1,987,272
Movement in the year	92,013
At 31 December 2016	2,079,285

INVESTMENTS – OTHER LOANS	2016 £	2015 £
Group and Company		
Loans to third party wind farm developers	2,735,563	2,735,563
Loan to joint venture company (to fund capital expenditure)	1,141,722	-
Loan to joint venture company (to fund acquisition)	32,493	-
	3,909,778	2,735,563

In November 2015, the Company agreed a £2.7m mezzanine finance facility with Renewable Energy Ventures (Gevens) Limited (REVG). REVG has successfully secured all the required rights and permits to build a 6.9MW wind farm in Fife, Scotland. Thrive Renewables has provided the capital to plug the funding gap. The project reached financial close in December of 2015, was constructed over summer 2016 and the operational phase commenced on 30 September 2016.

In July 2016, the Company entered into a joint venture with Green Power (Drumduff) Ltd to purchase Green Breeze Energy Limited (GBEL). GBEL has successfully secured all the required rights and permits to build a 6MW wind farm in Scotland. Thrive Renewables has purchased a 50% holding in the Company but has also provided capital in the form of loans to fund capital expenditure. The project reached financial close in January 2017 and is now in the construction phase, with commissioning due Summer 2017.

Further information about associates and subsidiaries, including disclosures about non-controlling interests, is provided in note 37 to the Company financial statements.

17. DERIVATIVE FINANCIAL INSTRUMENTS

	2016 £	2015 £
Financial assets carried at fair value through profit or loss (FVTPL)		
Held for trading derivatives that are not designated in hedge accounting relationships	99,953	175,049
Financial liabilities carried at fair value through profit or loss (FVTPL)		
Held for trading derivatives that are not designated in hedge accounting relationships	(2,236,098)	(1,707,889)

Further details of derivative financial instruments are provided in note 24.

18. DEBTORS

	2016 £	2015 £
Trade debtors	292,651	168,062
Corporation tax	-	-
Other debtors	-	-
Prepayments and accrued income	6,738,398	7,317,464
	7,031,049	7,485,526

Trade debtors

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

The average credit period taken on sales of goods is 30 days. No interest is charged on the debtors for the first 30 days from the date of the invoice. Thereafter, interest is charged at 8% on the outstanding balance. The Group has not recognised an allowance for doubtful debts as no debts are past 120 days due and historical experience has been that debtors that are

past due beyond 120 days are not recoverable. Allowances against doubtful debts are recognised against trade receivables between 30 days and 120 days based on estimated irrecoverable amounts determined by reference to past default experience of the counterparty and an analysis of the counterparty's current financial position.

The Group have no trade debtors which are past due date at the reporting date and therefore the Group has not made any allowance for doubtful debtors. There has not been a significant change in credit quality and all amounts are still considered recoverable. The average age of these debtors is 20 days (2015: 25 days).

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

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

19. TRADE AND OTHER CREDITORS

	2016	2015
	£	£
Trade creditors	418,533	489,730
Other creditors	23,866	23,766
Accruals and deferred income	3,560,342	4,100,029
Value added tax	241,019	217,333
Dividends payable	6,998	6,998
Social security creditor	10,698	3,755
	4,261,456	4,841,611

Pension contributions owing at the year-end amounted to £2,762 (2015: £1,127).

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

The Directors consider that the carrying amount of trade creditors approximates to their fair value.

20. BORROWINGS

GROUP	2016	2015
	£	£
Bank loans and overdrafts		
Amounts payable		
- due within one year	3,914,253	3,436,916
- due after more than one year	41,727,249	45,644,915
	45,641,502	49,081,831
Other loans		
Amounts payable		
- due after more than one year	17,722,191	7,000,000
Analysis of loan repayments		
Loans and overdrafts		
- within one year	3,914,253	3,436,916
- within one to two years	4,249,438	3,914,250
- within two to five years	30,575,957	27,877,125
- after five years	24,624,045	20,853,540
	63,363,693	56,081,831
COMPANY		
Bank loans and overdrafts		
Amounts payable		
- due within one year	119,054	111,305
- due after more than one year	127,343	246,398
	246,397	357,703
Other loans		
Amounts payable		
- due after more than one year	2,000,000	2,000,000
- due after five years	7,722,191	-
	9,722,191	2,000,000
Analysis of loan repayments		
Loans and overdrafts		
- within one year	119,054	111,305
- within one to two years	127,344	119,054
- within two to five years	2,000,000	2,127,344
- due after five years	7,722,191	-
	9,968,588	2,357,703

Group bank loan arrangement fees of £763,350 are amortised over seven years, being the term of the associated loan. As at 31 December 2016 there are bank fees of £497,121 (2015 - £597,862) offset against Group bank loans.

At 31 December 2016, Group bank loans total £45,641,502 (2015: £49,081,831).

Amounts totalling £378,257 held with Triodos Bank bear interest at a variable rate, currently 3.50%.

Amounts totalling £21,541,435 held with Triodos Bank bear interest at a weighted average fixed rate of 5.81%. Of this amount, £8,221,857 is repayable after five years. This amount bears interest at a weighted average fixed rate of 5.65%.

Amounts totalling £24,100,067 held with Santander Bank bear interest at a weighted average fixed rate of 6.17%. Of this amount, £8,679,998 is repayable after five years. This amount bears interest at a weighted average fixed rate of 6.15%. The fixed rate of interest is achieved by the purchase of financial instruments (interest rate swaps) which are now shown as a liability on the balance sheet of the Group – see note 16. The liabilities recognised at the year-end on interest rate swaps amount to £2,236,098. The recognition of this liability is in effect the advance charge of interest over the life of the swaps (seven-year terms) and would therefore reduce the interest charged in each year on these loans to 3.25% (the bank interest rate).

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

Other loans represent mezzanine loan finance which bears interest at a variable rate of 7.5% to 3 August 2016 and 7.25% from 4 August 2016. In addition, the Group raised 2 bonds during 2016 of £3m from Thrive Renewables (Buchan) Limited for 5 years at 5.5% interest and £7,722,191 in Thrive Renewables Plc for 7 years at 5% interest.

The Group's gearing ratio (calculated as debt/debt plus net assets) is 64% (2015 – 61%).

21. DEFERRED TAX ASSETS AND LIABILITIES

GROUP	£
Deferred taxation	
Balance at 1 January 2016	6,155,564
Charge to profit and loss account	(463,778)
Development costs subsumed from goodwill	-
Balance at 31 December 2016	5,691,786

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

	2016	2015
	£	£
Accelerated capital allowances	3,684,543	3,605,354
Tax losses carried forward	(281,266)	(128,803)
Deferred tax on derivatives	(363,145)	(275,911)
Short-term timing differences	(15,012)	(17,322)
Deferred tax on development costs	2,666,666	2,972,236
Adjustments in respect of previous periods	-	10
	5,691,786	6,155,564

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

	2016	2015
	£	£
Deferred tax assets	105,872	311,894
Deferred tax liabilities	(5,797,658)	(6,467,458)
	(5,691,786)	(6,155,564)

22. CALLED UP SHARE CAPITAL

	2016	2016	2015	2015
	NO.	£	NO.	£
Allotted, called up and fully paid				
Ordinary shares of £0.50 each	22,002,413	11,001,207	21,541,656	10,770,828
'A' ordinary shares of £2 each	-	-	1	2
	22,002,413	11,001,207	21,541,657	10,770,830

In June 2016, the Company issued 433,001 new shares of £0.50 each at a premium of £1.77 each, raising new capital of £982,912. Transaction costs of £11,866 were incurred and netted off the share premium.

The Company now offers a SCRIP scheme whereby shareholders can receive new shares instead of cash dividends. The Company issued 27,756 new 50p shares at a premium of £1.77 per share under this scheme in July 2016.

Rights attached to shares
The 'A' ordinary share has the right:

- to prevent the passing of any special resolution, any extraordinary resolution, any resolution where special notice is required, or any resolution required to be forwarded to the Registrar of Companies in accordance with the Companies Act, being given such number of votes as necessary to stop such a resolution;
- to appoint or remove a Director by being given such number of votes as necessary to pass such a resolution; and
- in all other cases, such numbers of votes as represent 10% of the entire voting rights of the Company.

Following a General Meeting on 29 February 2016, as part of the restructuring with Triodos Bank NV, the Company bought back the 'A' share at the nominal value and it was subsequently cancelled.

23. MINORITY INTERESTS

	2016	2015
	£	£
At 1 January	1,396,850	2,467,179
Minority interest bought out on acquisition of Thrive Renewables (Buchan)	-	(3,157)
Minority share of profit/loss on ordinary activities after taxation	(31,289)	29,352
Minority interest arising on acquisition of Boardinghouse	-	(1,096,524)
Minority share of dividends	5,152	-
At 31 December	1,370,713	1,396,850

24. FINANCIAL INSTRUMENTS

Capital risk management
The Group manages its capital to ensure that entities in the group will be able to continue as going concerns while maximising the return to shareholders through the optimisation of the debt and equity balance. The group's overall strategy remains unchanged from 2015.

The capital structure of the group consists of net debt (borrowings disclosed in note 20 after deducting cash and bank balances) and equity of the Group (comprising issued capital, reserves, retained earnings and non-controlling interests as disclosed in notes 22 to 23). The Group is not subject to any externally imposed capital requirements.

The Group's risk management committee reviews the capital structure on a semi-annual basis. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital. The Group has a target gearing ratio of 120% to 140%

determined as the proportion of net debt to fixed equity. The gearing ratio at 31 December 2016 of 126% (2015 134%) was within the target range.

Net debt to equity ratio

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

	2016	2015
	£	£
Debt	63,363,693	56,081,831
Cash and cash equivalents	(18,566,181)	(8,229,120)
Net Debt	44,797,512	47,852,711
Equity	35,424,929	35,691,485
Net debt to equity ratio	126%	134%

Debt is defined as long and short-term borrowings (excluding derivatives and financial guarantee contracts) as detailed in note 20. Equity includes all capital and reserves of the group that are managed as capital.

Significant accounting policies

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

CATEGORIES OF FINANCIAL INSTRUMENTS	2016	2015
	£	£
Financial assets		
Cash and bank balances	18,566,181	8,229,120
Fair value through profit and loss (FVTPL)	99,953	175,049
Amortised cost		
Receivables	7,031,049	7,485,526
Loans	3,909,778	2,735,563
Financial liabilities		
Fair value through profit and loss (FVTPL)	(2,236,098)	(1,707,889)
Amortised cost		
Payables	(4,261,456)	(4,841,611)
Borrowings	(63,363,693)	(56,081,831)

Financial risk management objectives

The Group's Corporate Treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyses exposures by degree and magnitude of risks. These risks include market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk.

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

Market risk

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

- forward foreign exchange contracts to hedge the exchange rate risk arising on the purchase of assets stated in foreign currencies and;
- interest rate swaps to mitigate the risk of rising interest rates.

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

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

25. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2016 £	2015 £
Operating profit	2,740,829	5,126,221
Increase in debtors	454,477	(272,670)
Increase/(decrease) in creditors	(556,249)	327,625
Depreciation and amortisation	5,526,908	5,081,344
Loss on disposal of fixed assets	76,233	-
Cash generated from operations	8,242,198	10,262,520
Interest paid	(3,461,374)	(3,289,182)
Taxation (paid)/received	(11,526)	(25,249)
Net cash inflow from operating activities	4,769,298	6,948,089

26. ANALYSIS OF NET DEBT

	AT 1 JANUARY 2016	CASH FLOW	OTHER NON-CASH CHANGES	AT 31 DECEMBER 2016
	£	£	£	£
Cash at bank and in hand	8,229,120	10,337,061	-	18,566,181
Bank loans and other loans falling due within one year	(3,436,916)	3,436,916	(3,914,253)	(3,914,253)
Bank and other loans falling due after more than one year	(52,644,915)	(10,718,778)	3,914,253	(59,449,440)
Net debt	(47,852,711)	3,055,199	-	(44,797,512)

27. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2016	2015
	£	£
Increase/(decrease) in cash at bank in the year	10,337,061	157,387
Increase in debt	(7,281,862)	(4,503,673)
Change in net debt resulting from cash flows	3,055,199	(4,346,286)
Net debt at 1 January	(47,852,711)	(43,506,425)
Net debt at 31 December	(44,797,512)	(47,852,711)

28. CAPITAL COMMITMENTS

	2016	2015
	£	£
At 31 December, the group was committed to the following capital expenditure	-	83,828

29. OPERATING LEASE COMMITMENTS

	2016	2015
	£	£
Lease payments under operating leases recognised as an expense in the year	531,736	448,927

At the balance sheet date, the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2016	2015
	£	£
Within one year	292,134	289,030
In the second to fifth years inclusive	1,120,343	1,125,988
After more than five years	3,870,650	4,137,919

Operating lease payments represent rentals payable by the Group for certain of its operational sites. Leases are negotiated for at least a term of 20 years in line with the operational life of the site.

30. RELATED PARTY TRANSACTIONS

Until 29 February 2016, under the terms of the 'Agreement for the Provision of Management Services' Triodos Bank was responsible for the management and the administrative running of the Company. During this period, Triodos Bank received fees of £128,770 for this service (2015: £924,277). This amount is included in creditors at the year-end.

During 2016 the Group raised new investment by way of bonds. The following is the Director's interests in those bonds.

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

* A Director of Thrive Renewables (Buchan) Limited

The Company operates a community benefit scheme which is managed by the Centre for Sustainable Energy (CSE). The Chief Executive of CSE is Simon Roberts a Director of the Company. During the year management fees of £4,700 were paid to CSE (2015 - £2,600) and no amounts were outstanding at the year end.

31. CONTINGENT LIABILITIES

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

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

32. CONTROLLING INTEREST

Until 29 February 2016, through its holding of the 'A' ordinary share, the Directors consider Stichting Triodos Holding to be the Company's controlling party for the year ended 31 December 2015. Stichting Triodos Holding is registered in the Netherlands and its registered office is Nieuweroordweg 1, 3704 EC Zeist, PO Box 55, 3700 AB Zeist, The Netherlands. From 1 March 2016 the Company has no ultimate controlling party.

33. POST BALANCE SHEET EVENTS NOTE

Gevens wind farm
In March 2017 Renewable Energy Ventures (Gevens) Ltd (REVG) has repaid £665,560 out of £2.7m facility. This repayment of part of the loan was achieved on completion of the first regular calculation period which was planned from the outset. The remaining facility will be paid back over a period of time.

Green Breeze Energy
The financial close on the project was achieved on 24 January 2017 having agreed the turbine supply agreement with GE, civil contract with AE Yates and the funding package from Santander UK.

Brotherton
On 26 January 2017, the Company through its subsidiary Brunel Wind Ltd agreed a £1.48m mezzanine finance facility with Renewable Energy Ventures (Brotherton) Ltd (REVB).

Sheriffhales
On 24 February 2017 the Company has invested, for the first time, in a solar PV project by way of providing £1.7m mezzanine loan to Community Interest Company which owns the operational solar project Sheriffhales in Shropshire. The community Company is managed by Mongoose Energy and is planning to raise a community share issue within the next 12 months.

Further bond raise
In March 2017 the close of the Thrive Renewables plc bond raised a further £2.2m bringing the overall amount raised to £9.9m.

COMPANY BALANCE SHEET

AT 31 DECEMBER 2016

	NOTE	2016	2015
		£	£
FIXED ASSETS			
Tangible assets	34	19,876	-
Investments		19,680,052	19,160,857
Investments – loans	37	3,909,778	2,735,563
Deferred tax asset		692	-
		23,610,398	21,896,420
CURRENT ASSETS			
Debtors	38	25,558,754	25,088,181
Cash at bank and in hand		8,855,129	817,088
		34,413,883	25,905,269
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	39	(10,799,027)	(8,322,475)
NET CURRENT ASSETS		23,614,856	17,582,794
TOTAL ASSETS LESS CURRENT LIABILITIES		47,225,254	39,479,214
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	40	(9,849,534)	(2,246,398)
NET ASSETS		37,375,720	37,232,816
CAPITAL AND RESERVES			
Called up share capital	22	11,001,207	10,770,830
Share premium account		23,659,472	22,855,797
Capital redemption reserve		14,210	14,210
Profit and loss account		2,700,831	3,591,979
TOTAL SHAREHOLDERS' FUNDS		37,375,720	37,232,816

The financial statements of Thrive Renewables Plc, registered number 02978651, were approved by the Board of Directors and authorised for issue on 19 May 2017.

Signed on behalf of the Board of Directors

Matthew Clayton
Director

Simon Roberts
Director

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2016

	CALLED UP SHARE CAPITAL	SHARE PREMIUM ACCOUNT	SHARE PREMIUM ACCOUNT	PROFIT AND LOSS ACCOUNT	TOTAL
	£	£	£	£	£
At 1 January 2015	10,401,101	21,538,533	14,210	1,079,214	33,033,058
Shares issued (net of issue costs and redemption costs)	369,729	1,317,264	-	-	1,686.993
Total comprehensive income for the financial year	-	-	-	3,384,290	3,384,290
Dividend	-	-	-	(871,525)	(871,525)
At 1 January 2016	10,770,830	22,855,797	14,210	3,591,979	37,232,816
Shares issued (net of issue costs and redemption costs)	230,377	803,675	-	-	1,034,052
Total comprehensive income for the financial year	-	-	-	(12,170)	(12,170)
Dividend	-	-	-	(878,978)	(878,978)
At 31 December 2016	11,001,207	23,659,472	14,210	2,700,831	37,375,720

34. FIXED ASSETS

	LAND AND BUILDINGS	FIXTURES AND FITTINGS	PLANT AND MACHINERY	TOTAL
	£	£	£	£
Cost				
At 1 January 2016	-	-	-	-
Additions	-	15,805	10,027	25,832
At 31 December 2016	-	15,805	10,027	25,832
Accumulated depreciation				
At 1 January 2016	-	-	-	-
Charge for the year	-	3,951	2,005	5,956
At 31 December 2016	-	3,951	2,005	5,956
Net book value				
At 31 December 2016	-	11,854	8,022	19,876
At 31 December 2015	-	-	-	-

35. SIGNIFICANT ACCOUNTING POLICIES

The separate financial statements of the Company are presented as required by the Companies Act 2006. The Company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. Accordingly, in the year ended 31 December 2015 the Company has changed its accounting framework from Pre-2105 UK GAAP to Financial Reporting Standard 101 as issued by the Financial Reporting Council and has, in doing so, applied the requirements of IFRS 1.6-33 and related appendices. These financial statements were prepared in accordance with FRS 101 'Reduced Disclosure Framework' as issued by the Financial Reporting Council. The prior year financial statements were re-stated for material adjustments on adoption of Financial Reporting Standard 101 in the current year.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash flow statement, standards issued but not yet effective, impairment of assets and related party transactions. Where relevant, equivalent disclosures have been given in the Group accounts of Thrive Renewables plc.

The financial statements are prepared under the historical cost basis.

The financial statements are prepared in pounds sterling, which is the Company's functional currency.

Investments in subsidiaries and associates are stated at cost less, where appropriate, provisions for impairment.

36. PROFIT FOR THE YEAR

As permitted by Section 408 of the Companies Act 2006 the Company has elected not to present its own profit and loss account for the year. The Company reported a loss for the financial year ended 31 December 2016 of £12,170 (2015: profit £3,384,290). The loss for 2016 included £910,810 (2015: £4,325,000) of dividends received from subsidiary companies.

37. INVESTMENTS

INVESTMENTS IN SUBSIDIARY UNDERTAKINGS AND OTHER INVESTMENTS AT COST	£
Balance brought forward at 1 January 2016	19,160,857
Additions	519,195
Balance at 31 December 2016	19,680,052

MOVEMENTS IN INVESTMENTS DURING THE YEAR ARE AS FOLLOWS:	£
Boardinghouse Windfarm	519,194
Green Breeze Energy (Holdings) Limited	1
	519,195

In 2016, additional consideration of £519,194 was paid in relation to Boardinghouse Windfarm in relation to deferred consideration payable under the investment agreement entered into in 2015.

In 2016, Thrive Renewables Plc acquired a 50% stake in Green Breeze (Holdings) Limited which owns 100% of Green Breeze Energy Limited for £1 share capital.

Results for the year – Fenpower Limited and Green Breeze Energy (Holdings) Limited:

FENPOWER LIMITED	2016	2015
	£	£
Current assets	1,270,077	1,609,689
Non-current assets	6,645,388	7,089,376
Current liabilities	1,531,553	1,515,057
Non-current liabilities	2,101,990	3,199,498
Deferred tax	806,166	720,130
Revenue	1,124,907	1,446,372
Profit or loss from continuing operations	149,068	399,239

There are no items of other comprehensive income.

GREEN BREEZE ENERGY (HOLDINGS) LIMITED	2016	2015
	£	£
Current assets	321,969	-
Non-current assets	4,308,331	-
Current liabilities	(863,108)	-
Non-current liabilities	(3,746,525)	-
Deferred tax	-	-
Revenue	-	-
Profit or loss from continuing operations	(4,672)	-

There are no items of other comprehensive income.

Subsidiary undertakings

Details of the subsidiaries and other investments are as follows:

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

*ownership held indirectly

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

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

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

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

38. DEBTORS

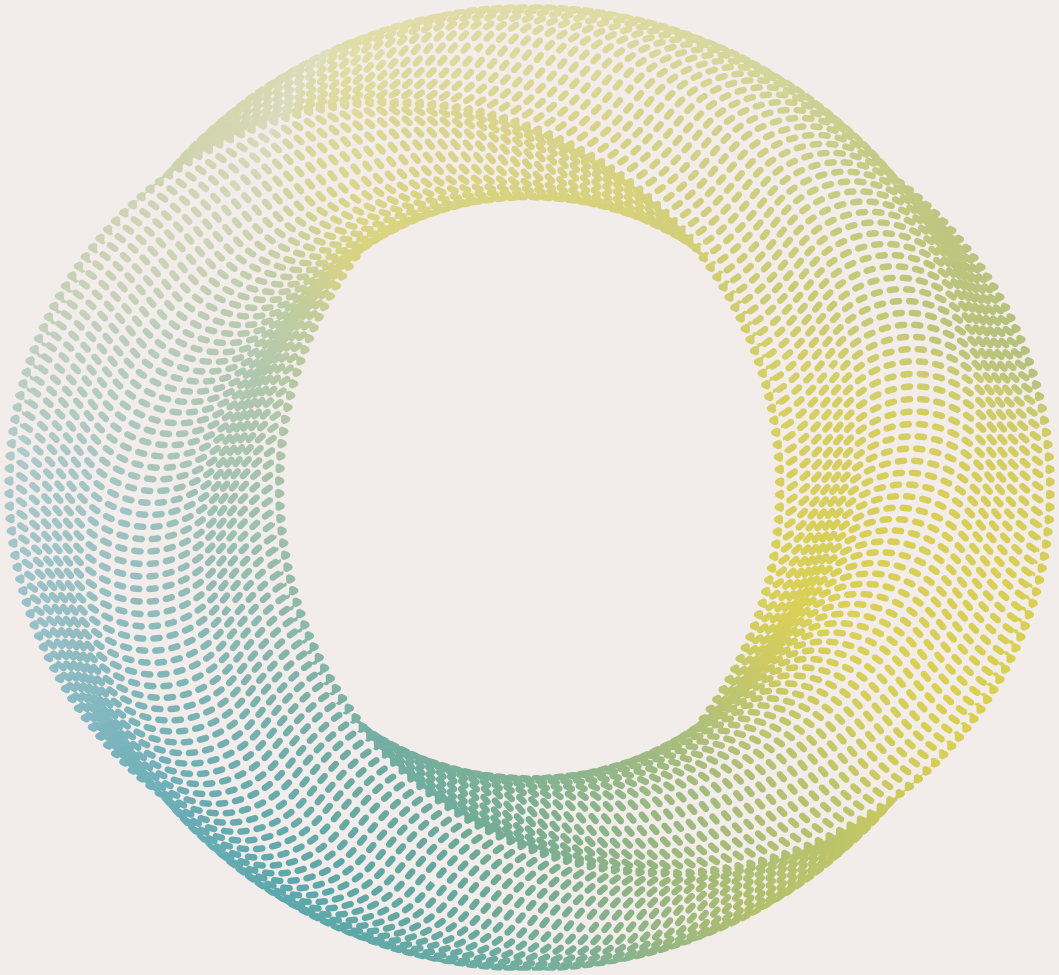
	2016	2015
	£	£
Amounts owed by Group undertakings	21,779,504	22,167,294
Other debtors	2,892,961	2,259,662
Taxation and social security	41,637	31,760
Group relief debtor	844,652	629,465
	25,558,754	25,088,181

39. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Bank loans (see note 20)	119,054	111,305
Trade creditors	228,640	166,679
Other creditors	14,984	14,984
Accruals and deferred income	565,304	993,780
Amounts owed to Group undertakings	9,864,047	7,028,729
Dividends payable	6,998	6,998
	10,799,027	8,322,475

40. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2016	2015
	£	£
Bank Loans	127,343	246,398
Mezzanine loan finance	2,000,000	2,000,000
Bonds	7,722,191	-
	9,849,534	2,246,398



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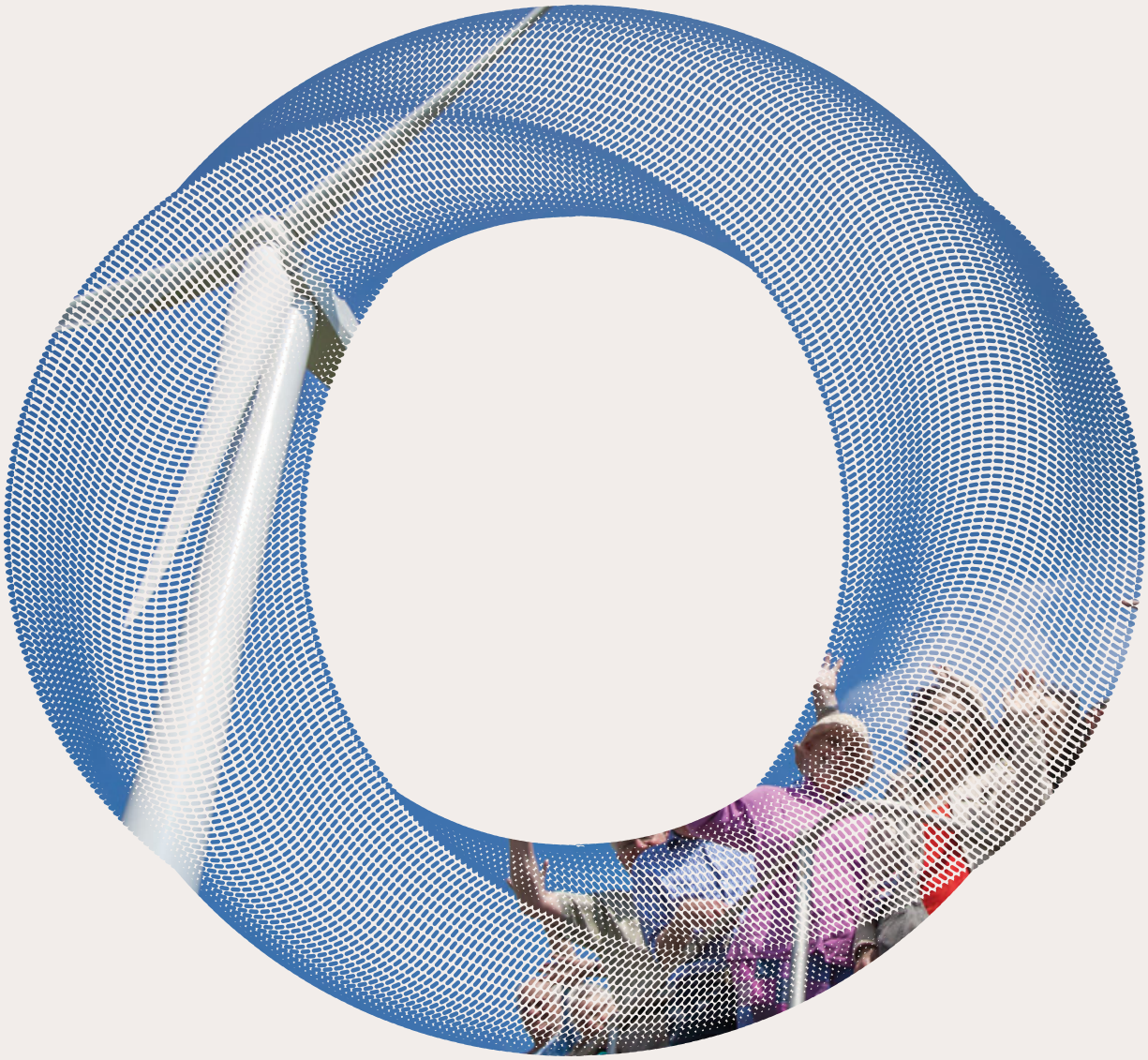

THRIVE RENEWABLES

Thrive Renewables plc is a public limited company, registered in England with registered office at Deanery Road, Bristol, BS1 5AS (registered number 02978651)