Triodos Renewables plc
Annual Report 2014

31 December 2014

20 TWENTIETH ANNIVERSARY YEAR

Triodos Renewables

Contents

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Chairman's statement

Dear Shareholder

Our core purpose is to enable people like you to take a direct and rewarding stake in renewable energy generation in the UK. Between us we are cutting the UK's dependency on fossil fuels and reducing carbon emissions. By widening ownership of renewable energy assets we believe we help to change the relationship between people and the energy system upon which we rely.

2014 has been a good year for Triodos Renewables in this respect as this Annual Report lays out.

We increased our electricity generation by nearly 20% year on year, taking advantage of the three new wind power projects we commissioned in 2013. We're now generating enough renewable electricity to power more than 32,000[1] homes.

That means that our average shareholder's investment is effectively powering their own home and four of their neighbours' too![2]

Our profitable operation enables us to propose a 4p dividend for shareholders (2014: 4p per share).

We also attracted more than 800 new shareholders in our eighth share issue, which raised £4.1million. The capital raised will enable us to realise some of the pipeline of new projects we've been working on. We now have approaching 6,000[3] shareholders. In 2015 we'll be developing new initiatives to make more of this amazing community of people, backing our work and supporting the growth of renewable energy.

All this said, it's easy to think this is barely scratching the surface, particularly when we consider that 2014 was the warmest year globally since records began and the threat of irreversible destructive climate change grows ever more real.

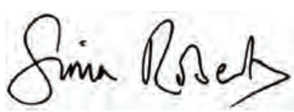
But there are signs that our 'scratching', in combination with millions of others around the world making the case for a more sustainable energy future, is starting to break through.

Stepping back, we see that even the UK with its continuing political challenges around renewables (and wind power in particular) is making the sort of progress we could only have dreamed of when Triodos Renewables launched its first share issue in 1995. Renewable energy now provides almost a fifth of all electricity generated in the UK, a record at 19.3% in 2014,[4] and that proportion is continuing to grow.

And it isn't just in the UK or the other more renewable-friendly parts of Europe where this transformation is taking place. The BBC recently reported that International Energy Agency calculations put carbon emissions from global energy use at the same level in 2014 as they were in 2013. The apparently relentless rise in global carbon emissions from energy use has stopped – at least for now. The main reason for this positive change is the drive for greater energy efficiency and for renewable energy, particularly in India and China, which is now far and away the world's largest and fastest growing wind power market.[5]

These are causes for optimism; an optimism that continues to infect our work as we strive towards our objective of doubling our renewable energy generation and the size of our community of investors by 2020. In so doing, we recognise a continuing need to manage our assets effectively and choose new investment opportunities wisely. These will be the goals of both your Board and our executive team over the coming year.

Thank you for your continued support and involvement.



Simon Roberts OBE
Chair of the Board of Triodos Renewables Plc

1 DECC: 4,192 kWh/home

2 Based on average shareholding of 3,500 shares as at 29th April 2015

3 As at 29th April 2015

4 DECC: Energy Trends March 2015

5 http://www.bbc.co.uk/news/science-environment-31872460, http://www.gwec.net/wp-content/uploads/2015/03/GWEC_Global_Wind_2014_Report_LR.pdf

Strategic report

The directors present their annual report and the audited consolidated financial statements for the year ended 31 December 2014.

Business model

We established Triodos Renewables to provide equity finance through direct investment in small to medium-scale renewable energy projects, such as wind farms and hydroelectric schemes. The development of the business and shareholder base provides a mechanism for individuals and institutions to invest directly in renewable energy opportunities.

The number of sites in the group has grown steadily over the last few years and at the end of 2014 comprised 11 operating companies:

- Triodos Renewables (Eye) Limited – wind farm
- Triodos Renewables (Severn) Limited – wind farm
- Triodos Renewables (Beochlich) Limited – hydro-electric
- Triodos Renewables (Haverigg II) Limited – wind farm
- Triodos Renewables (Ness Point) Limited – wind farm
- Triodos Renewables (Caton Moor) Limited – wind farm
- Triodos Renewables (Sigurd) Limited – wind farm
- Triodos Renewables (Wern Ddu) Limited – wind farm
- Triodos Renewables (Kessingland) Limited – wind farm
- Triodos Renewables (Dunfermline) Limited – wind farm
- Triodos Renewables (March) Limited – wind farm

The group also holds a 100% investment in Triodos Mellinsus Projects Limited, which has received planning permission and commenced the construction of two single-turbine wind projects in Aberdeenshire, Scotland. This was previously a joint venture with Mellinsus Renewables Limited but during the year Triodos Renewables purchased its stake to become 100% owners.

In addition, the group owns 50% of Triodos Renewables (Fenpower) Limited which owns a 49.8% stake in Fenpower Limited, an operational wind farm called Ransonmoor.



During 2014, the group established Triodos Renewables (Boardinghouse) Limited to acquire a 55% stake in Boardinghouse Windfarm Limited, which is currently constructing a 10.25MW wind farm in Cambridgeshire.

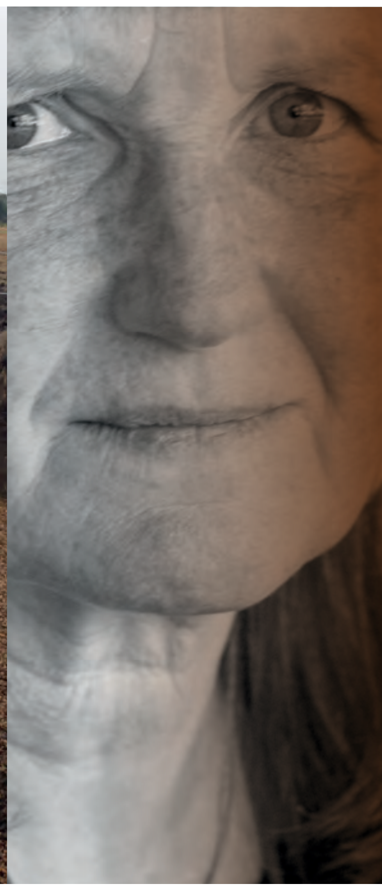
Business review

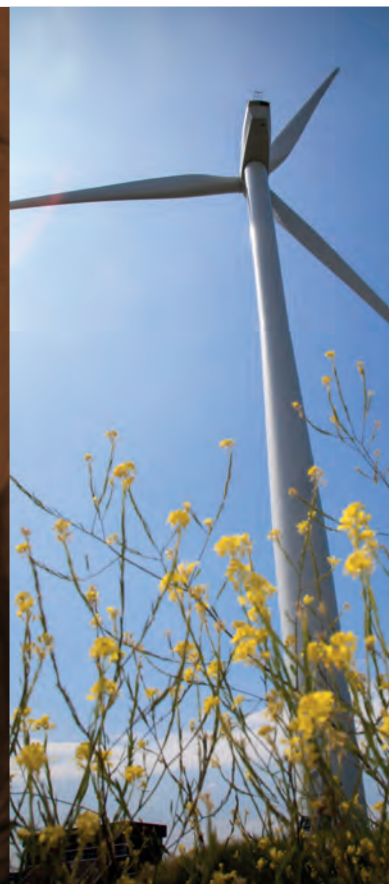
The group's trading results for the financial year and the group's and company's position at the year-end are shown in the attached financial statements.

Triodos Renewables (Boardinghouse) Limited acquired a 55% share of Boardinghouse Windfarm Limited in February 2014. Boardinghouse Windfarm Limited commenced construction of a 10.25MW wind farm close to March, Cambridgeshire in June 2014. Boardinghouse Windfarm Limited's other shareholders include the landlords and developers of the site. Triodos Renewables' share purchase addressed a funding gap contributing to the success of the project. The last of the five turbines was erected in March 2015 and commissioning completed several months ahead of schedule in May 2015.

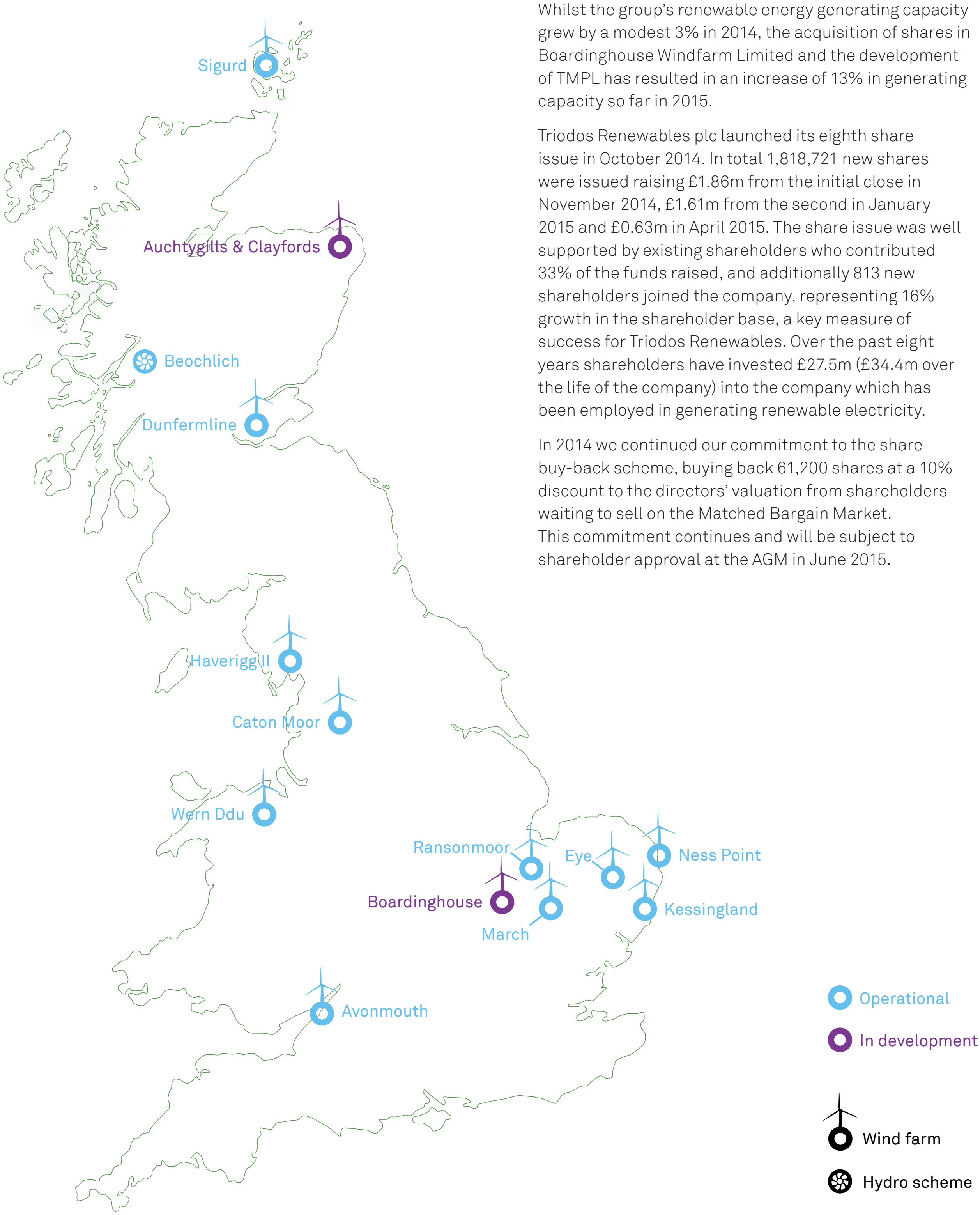
In December 2014 Triodos Renewables (March) Limited completed construction of a single 1.5MW wind turbine in the grounds of Greenvale's potato processing plant in March, Cambridgeshire. The electricity generated by the project is delivered directly to Greenvale, contributing to the sustainability of the operation with any surplus exported to the local distribution network. The addition of this turbine to the portfolio increased the group's renewable energy capacity by 3% to 54.8MW (based on our outright or part ownership projects with a total capacity of 62.9MW).

During 2014 Triodos Mellinsus Projects Limited (TMPL) progressed with the procurement of the required works and goods to complete the development of the two single wind turbine projects in Aberdeenshire. This required the establishment of Triodos Renewables (Auchtygills) Limited and Triodos Renewables (Clayfords) Limited, both owned 100% by TMPL. Following the completion of the procurement phase and commencement of the construction of the two wind projects, Triodos Renewables exercised its right to acquire the remaining 40% of TMPL from Mellinsus Renewables Limited, resulting in Triodos Renewables owning 100% of TMPL





Map showing Triodos Renewables renewable energy project sites



and its two subsidiaries, Triodos Renewables (Auchtygills) Limited and Triodos Renewables (Clayfords) Limited.

Whilst the group's renewable energy generating capacity grew by a modest 3% in 2014, the acquisition of shares in Boardinghouse Windfarm Limited and the development of TMPL has resulted in an increase of 13% in generating capacity so far in 2015.

Triodos Renewables plc launched its eighth share issue in October 2014. In total 1,818,721 new shares were issued raising £1.86m from the initial close in November 2014, £1.61m from the second in January 2015 and £0.63m in April 2015. The share issue was well supported by existing shareholders who contributed 33% of the funds raised, and additionally 813 new shareholders joined the company, representing 16% growth in the shareholder base, a key measure of success for Triodos Renewables. Over the past eight years shareholders have invested £27.5m (£34.4m over the life of the company) into the company which has been employed in generating renewable electricity.

In 2014 we continued our commitment to the share buy-back scheme, buying back 61,200 shares at a 10% discount to the directors' valuation from shareholders waiting to sell on the Matched Bargain Market.
This commitment continues and will be subject to shareholder approval at the AGM in June 2015.

Comparison of 2014 generation against 2013

Site	Generation commences	Generation 2014 MWh	Generation 2013 MWh	Generation change %
Beochlich	1998	2,585	3,367	(23.2%)
Haverigg II*	1998	3,985	3,363	18.5%
Sigurd	2001	3,706	4,298	(13.8%)
Caton Moor	2005	44,992	43,810	2.7%
Ness Point	2005	3,615	4,177	(13.5%)
Wern Ddu	2010	20,985	21,316	(1.6%)
Kessingland	2011	13,583	13,492	0.7%
Dunfermline	2011	2,908	2,985	(2.6%)
Eye	March 2013	13,776	9,547	N/A
Ransonmoor (Fenpower)*	March 2013	5,595	4,875	N/A
Avonmouth	November 2013	18,085	2,115	N/A
March	November 2014	665	-	N/A
		134,480	113,345	18.6%

*generation from the site calculated in proportion to Triodos Renewables' ownership

Together we have participated in operational renewables with a capacity of 62.9MW with a further 11.85MW currently being developed. We look forward to providing everyone with the opportunity to contribute to further growth in the near future. We are grateful for your ongoing trust and support.

In 2014 Triodos Renewables' owned portfolio[6] generated a total of 134,480MWh of renewable energy (2013:113,345), equivalent to satisfying the electricity demand of 32,080[7] UK homes (2013: 26,846). With the addition of the new sites into our portfolio, we are delighted to have increased overall generation by 18.6%.

Operational review

Health and safety

There were no Health and Safety Executive (HSE) reportable accidents or incidents in Triodos Renewables' operational or construction activities during 2014 (2013 – nil). Our Operations Manager attended a number of dedicated renewable industry Health and Safety events during the year and we work closely with experienced contractors to continually improve site rules and arrangements, ensuring our activities comply with evolving regulations and industry good practice. In particular the company has prepared for proposed changes to the Construction (Design and Management) (CDM) regulations which are anticipated in April 2015.

Management of operational assets

Triodos Renewables continues to work closely with third party asset managers to oversee the safe and efficient operation of our growing UK portfolio over the life of individual projects. Engaging with these industry specialists allows us to access appropriate technical knowledge and to benefit from experience outside our own portfolio. This approach is combined with robust internal processes and systems to provide a scalable approach for the growing business as we deploy new capital into an exciting pipeline of new renewable energy projects. During 2014 the organisation also took proactive steps to understand the long term options for maturing assets in our ownership.

6 Triodos Renewables does not own 100% of all of 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.

7 DECC: 4,192 kWh/home

Operational projects

Beochlich

The Beochlich Burn is located on the south-east side of Loch Awe in Argyll, Scotland, recognised as one of the best areas for small-scale hydro-electric generation in the country. Our 1.0MW project consists of two turbines fed from a storage reservoir which allows the flow to be regulated to an optimum level when rainfall is high. The project experienced a generator fault in the first quarter. While dealt with quickly and effectively, this had an impact on the overall 2014 yield. The site generated a total of 2,585MWh which was 23.2% lower than during 2013 (3,367MWh).

Haverigg II

This four-turbine site has a total capacity of 2.4MW and is located on the Cumbrian coast, the result of a joint venture between Triodos Renewables and The Wind Company (UK) and with one turbine owned by Baywind Energy Co-operative. Operational since 1998 this is one of the older sites in the Triodos Renewables portfolio and we have been considering options to maximise the benefit of this project into the future. In 2014 the site generated 5,314MWh (3,985MWh pro rated for the 75% Triodos Renewables ownership) which was 19% up from 2013 (3,363MWh). The site experienced fewer faults than during the previous year and one major component failure was repaired quickly under warranty. We are grateful for strong relationships with suppliers. Unfortunately, our maintenance provider at Haverigg II ceased trading in June 2014. We are pleased to have quickly engaged a new provider who is familiar with the site and the technology, and has also been able to employ a number of experienced wind turbine technicians who were facing a redundancy situation.

Sigurd

Burgar Hill in the Orkney Islands was developed as a renewable energy development centre in the 1980s and is one of the windiest onshore sites in Europe. Sigurd, Triodos Renewables' 1.3MW turbine on the site, generated 3,706MWh in 2014 which was 14% down on 2013 (4,298MWh) due to three unrelated faults. We were, however, able to co-ordinate some proactive maintenance on the blades during the less windy summer months which will enhance the efficiency of the turbine and generating potential in the future.

Caton Moor

Caton Moor is the largest site currently in Triodos Renewables' portfolio and is located in Northern Lancashire, just east of Morecambe Bay. It is an open access area with eight turbines and a total capacity today of 16MW after the original wind farm, one of the first in the UK, was repowered in 2006. Because it is open access countryside, you can actually visit (it's just off the M6 at Junction 33) and experience the scale yourself. In 2014 the site generated 44,992MWh which was 3% more than the year before (2013:43,810MWh). This generation from a single site is equivalent to the demand of over 10,000 UK homes[8].

Ness Point

Our Ness Point wind turbine has been nicknamed 'Gulliver' locally as it was the largest onshore turbine in the UK when it was erected in 2005. Our maintenance teams were frustrated during 2014 by apparently unrelated faults which have impacted once again in the final annual generation figure of 3,615MWh (2013:4,177MWh). Since July 2014 we are pleased to be working with a new maintenance provider who has additional experience of this particular model of turbine.

Wern Ddu

Triodos Renewables' Wern Ddu site consists of four turbines with a total 9.2MW capacity and is located in North Wales between Gwyddelwern and Ruthin. During 2014 the site generated 20,985MWh (2013:21,316MWh). There were no major technical issues on the site affecting generation but we did experience some minor vandalism. This was dealt with by local police through a community resolution. In the community our benefit payments have supported a range of works and activities such as improvements to a kitchen facility, new children's playground equipment and support for church hall hire.

Kessingland

Our two wind turbines near the village of Kessingland in Suffolk generated a total of 13,583MWh during 2014 which was marginally up from 2013 (13,492MWh). This is equivalent to the annual electricity demand of 3,240 UK homes and matches well with the number of households in the nearby communities of Kessingland and Gisleham. One of our two turbines is constructed in the grounds of the Africa Alive! animal park and attracts considerable interest from visitors to this popular attraction.

Dunfermline

Our site in Dunfermline generated a total of 2,908MWh in 2014. This was slightly lower than during 2013 (2,985MWh) but still above the target figure for the site. The single turbine is built in an industrial area and supplies

8 DECC: 4,192 kWh/home

renewable energy directly to a local manufacturer on the same site. The manufacturing company benefits from both a rental income and stable electricity price, allowing it to plan effectively and provide important local employment.

Eye

During 2014 the two turbines on the Eye Airfield industrial estate generated 13,776MWh. This represented the first full calendar year of operations and we were pleased that this generation figure was ahead of the annual forecast. In January 2014 two additional wind turbines were constructed nearby by another operator recognising the good wind resource and capacity for renewable energy generation locally. The Triodos Renewables project at Eye is another 'merchant site' where we are able to sell electricity we generate directly to a long-established family business. Any surplus electricity is exported to the grid.

Ransonmoor

Ransonmoor is a five turbine, 10.10MW onshore wind farm which has been operating since 2007. For the calendar year of 2014, Ransonmoor generated a total of 22,469MWh (2013: 23,726MWh) renewable energy. Pro rata, our investment (24.9% from 28 February 2013) represents 5,595MWh of this. It was unusual for Triodos Renewables to invest in a site which was already operational and the decision was based on the understanding that our investment would release capital for one of the original developers to proceed with a new wind farm development - Boardinghouse windfarm.

Avonmouth

Just 15 minutes from the Triodos Renewables head office in Bristol, the development at Avonmouth is one of the largest dock areas in Europe. The four Senvion MM92 turbines were energised at the end of November 2013. The site is located at the grounds of Wessex Water's Sewage Treatment Plant and 2014 was the first full operational year for the site. During this year the project generated 18,085MWh. This is equivalent to the annual electricity demand of 5,000[9] UK homes.

In 2014, we hosted an open day at the wind farm for the local community, which gave us a fantastic opportunity to engage with the people closest to our project. This is described in more detail under the section on Measuring Impact.

March

In November 2013 Triodos Renewables acquired from Wind Direct a new company with rights to develop and build a 1.5MW wind turbine project. We expect that annual production from this project will be above 4,500MWh per annum. This project is adjacent to the potato packaging centre in March, owned by Greenvale. The project was built and commenced operations during November 2014 delivering electricity directly to Greenvale and contributing to the sustainability of the operation, while any surplus is exported to the local distribution network.

Development projects

Triodos Mellinsus Projects Limited

During 2014 Triodos Mellinsus Projects Limited (TMPL) progressed with the procurement of the required works and goods to complete the development of the two single wind turbine projects in Aberdeenshire – Auchtygills and Clayfords. Each project comprises one 800KW wind turbine. This required the establishment of two separate companies – one for each project (Triodos Renewables (Auchtygills) Limited and Triodos Renewables (Clayfords) Limited). Both companies are owned 100% by TMPL. Following the completion of the procurement phase and commencement of the construction of the two wind projects, Triodos Renewables exercised its right to acquire 40% of TMPL from Mellinsus Renewables Limited, resulting in Triodos Renewables owning 100% of TMPL and its two subsidiaries at 31 December 2014. Both turbines were erected during March 2015 and commenced generation ahead of schedule in May 2015.

Boardinghouse

In February 2014 Triodos Renewables acquired a 55% stake in Boardinghouse wind farm, a five-turbine site. Thanks to the good local wind speeds it is expected to generate 30,000MWh of electricity per year, equivalent to the average annual electricity demand of 7,000 homes.

Our investment fulfils the funding gap between the developer and landowner's funds and the debt finance. This allows the developer and landowner to continue to participate in the project alongside Triodos Renewables plc. Construction of this 10.25MW wind farm commenced in June 2014. The last of the five turbines was erected in March 2015 and commissioning expected to complete several months ahead of schedule in May 2015.

Development pipeline

Over the past year, Triodos Renewables has been actively looking for further investment opportunities. A number of onshore wind, hydro and solar photo-voltaic projects were evaluated. We have now entered into exclusive negotiations with five projects with a view to acquiring

9 DECC: 4,192 kWh/home

these assets in 2015. The team continues to see ample investment opportunities which fit the group's investment criteria, which provides the foundation for our objective to double our generation capacity to 125MW by 2020.

UK renewable industry outlook

In 2014 the UK's renewable energy industry once again had a record breaking year with 19% of the UK's electricity generation coming from renewable sources. In the same period coal and gas generation contributed 30% and 29% respectively and nuclear 19%[10], demonstrating that renewable generation is now becoming very much part of the UK's energy mix.

In October 2014, the EU agreed a greenhouse gas emission reduction target of 40% below 1990 levels, to be achieved by 2030. This represents a doubling of the current 20% target set for 2020 and demonstrates that the EU remains committed to tackling climate change. To meet this emission reduction target it is estimated that approximately 45% of electricity will need to be generated by renewable technologies. The challenge of achieving the EU targets adds to the company's confidence in growth potential.

Regulatory support mechanisms make up 54% of the group's revenues. It is the group's view that the regulatory revenues, for which the projects in the group have already qualified, will remain stable in the coming 20 years. During 2014 we have seen a reduction in the long-term projection of wholesale electricity prices. This has been driven by three factors - the reduction in global oil prices, a proposed regulatory change described as the capacity market in the UK and in many European countries, and falling energy demand.

Whilst in 2014 approximately 60%[10] of the UK's electricity was generated using oil, natural gas and coal, the cost of which all correlate to global oil prices, the wholesale electricity market has seen only a 13.7%[11] reduction in the same period in which oil prices have dropped by 40%. This difference is largely driven by the way electricity generators purchase their fuels (combining both long-term and short-term delivery). If the slump in oil prices persists for an extended period, we can expect further impact on UK electricity prices.

The second impact on future electricity prices is the introduction of new EU energy market regulatory regimes. These new regimes will affect wholesale electricity market prices in several European markets. The so-called Capacity Market mechanisms will provide supplemental income (mainly for fossil fuelled power producers) so as to ensure security of supply. This supplemental income will allow them to bid into the wholesale market at a lower level, thus lowering the prices in the wholesale market. The Capacity Market mechanisms are part of a package of measures aimed at supporting the continued development of renewable energy projects, and reduction in greenhouse gas emissions.

In 2014 the UK's demand for electricity fell by 6.5% against the previous year, to its lowest level for 18 years[12]. In addition to the economic situation, one of the main reasons for this reduction in electricity demand is the improvement in the efficiency of electrical equipment. The fall in demand is also partially attributed to 2014 being a relatively warm year.

The renewable energy projects in the group's portfolio sell electricity and therefore have exposure to the wholesale market. Triodos Renewables mitigates exposure to price volatility in the wholesale electricity markets by a range of measures, including deriving revenue from regulatory support and power sales agreements incorporating floors, fixed prices and in the case of merchant projects direct sales to industrial hosts. As a result, the long-term energy price outlook only has a moderate impact on the value of the company.

In this evolving landscape of support for renewables, the company's role as an experienced and reliable financial partner becomes increasingly important to the developers of small to medium-sized renewable energy projects.

Triodos Renewables' portfolio currently benefits from three support mechanisms[13] which have evolved over our 20 years of operations. The UK energy sector is once again in a transitional phase with the introduction of the Energy Market Reform (EMR). In November 2014 the EMR received Royal Assent and, whilst some aspects remain in consultation, the EMR's objective is to deliver a lower carbon energy sector in a financially efficient manner. This has already resulted in the reduction of the financial support available to future renewable energy projects and we forecast that this will continue. This, to the Company, is a logical consequence of the increasing competitiveness of the proven renewable technologies and is crucial to achieve sustainability. We are confident that any changes will not affect our existing operational portfolio because the government has confirmed that all existing accreditations will be grandfathered (honoured) and new accreditations for existing Renewables Obligation (RO) will be accepted up to 2017[14].

10 DECC: 4,192 kWh/home

11 Market data

12 DECC, Energy Trends March 2015

13 Non Fossil Fuel Obligation, Renewables Obligation and Feed in Tariffs

Turnover summary by operating site

Site	Date acquired	2014 £'000	2013 £'000	2012 £'000	2011 £'000	2010 £'000	2009 £'000
Beochlich	1998	242	342	335	243	207	248
Haverigg	1998	416	375	360	280	208	317
Ness Point	2005	605	440	580	485	574	590
Caton Moor	2006	3,604	3,571	3,030	3,790	2,305	4,117
Sigurd	2006	202	189	206	185	172	198
Wern Ddu	2009	1,843	1,946	1,744	2,129	1,010	-
Kessingland	2010	1,680	1,522	1,528	746	-	-
Dunfermline	2011	513	494	472	61	-	-
Eye	Mar-12	1,599	1,034	-	-	-	-
Avonmouth	Nov-12	1,634	190	-	-	-	-
March	Nov-13	95	-	-	-	-	
		12,433	10,104	8,255	7,919	4,476	5,470

Post 2017 the new system will take over from the RO. Under the new system renewable energy projects over 5MW in capacity will benefit from a Feed in Tariff Contract for Difference (FiT CfD) where the projects will receive the fixed price for electricity generated, with compensation being received or paid to balance market price volatility. This will deliver price stability for these projects whilst maintaining alignment with the underlying market price.

Within the EMR, projects with a capacity of 5MW and below will continue to be eligible for the FiT, a fixed price for the first 20 years of operation. In an environment of reduced financial support, we will continue to focus on well-sited projects employing proven technologies. We consider that the continued adjustments to the energy market policies are part of the evolution of 'alternative technologies' to proven technology and sustainably integrating them into the energy system.

The trade association Renewable UK[15] recently projected that by 2020 onshore wind will be the lowest cost power generation option for the UK, through the natural evolution of the technology and in particular if some UK-specific barriers can be addressed. It will be a milestone for onshore wind to become the best economic option, even without taking into account the additional benefits of carbon reduction, price stability and UK employment.

Financial review

The group achieved a pre-tax profit of £1,659,000 for the year ended 31 December 2014 compared to a pre-tax profit of £1,732,000 in 2013. This result was affected by a number of factors:

- Additional capacity added from Eye, Avonmouth, Ransonmoor and March contributed 21,584MWh of increased generation (19%).
- The existing portfolio experienced reduced availability and wind speeds amounted to 449MWh of reduced generation.
- The increased capacity resulted in £2,329,000 additional revenues although generation was still below target due to lower wind speeds than expected.

14 DECC November 2013, Electricity Market Reform Policy Overview Report

15 Renewable UK Onshore Wind Cost Reduction Taskforce Report, 2 April 2015

- Additional costs from the increased capacity were £1,157,000 direct costs, £424,000 additional administrative costs and £821,000 net interest costs and share of associated profits. This totals £2,402,000 additional costs.
- The net impact is reduced pre-tax profit of £73,000

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 shown below.

At 31 December 2014, the group held £8,071,733 of cash - compared to £10,690,600 in 2013. The group's net debt at 31 December 2014 was £43,506,425, an increase of £8,642,230 over the previous year as a result of additional debt financing raised to fund new renewable assets. The ratio of net debt to fixed assets at 31 December 2014 was 55% compared to 52% in 2013.

Following a satisfactory financial and operating performance in 2014, the directors consider that the company remains in a strong financial position to progress in the future.

Measuring impact

Measuring the environmental and social impact of our renewable energy assets alongside the financial performance allows shareholders to see the positive impact that their investment is making beyond the financial rewards.

Environment[16]

Triodos Renewables' energy projects are contributing to the government's commitment to supply 15% of the UK's energy demand from renewable sources by 2020. During the year our renewable energy portfolio generated 134,480MWh. This is equal to offsetting approximately 57,826 tonnes of CO_2 (2013:48,783 tonnes), which translates to 9.9 tonnes of CO_2 saving per year per average shareholder (based on 3,600 shares) and is slightly higher than the UK national average CO_2 emissions per person at 7.9 tonnes.

Social impact

7% (2013: 7%) of our overall turnover is distributed in the local economies where our projects are located. This comprises the payments of land rentals, business rates and community benefits. In addition at three of our sites – Eye, Dunfermline, and March, (a newly added site in 2014) - we sell the electricity directly to local businesses thus providing them with green, cheaper electricity, and protecting local jobs. We also use local contractors where possible.

134,480 MWh

amount of green energy we generated in 2014

At our Wern Ddu site we make a direct contribution of £10,700 per annum into a local community fund. The communities put the funds to good use in the local area, spending it on projects that will benefit their local community. Some examples of how the funds were spent in 2014 are: renovation works in a local village hall; supporting a variety of community groups; and purchasing equipment for youth sports teams.

In Kessingland, where there have been some concerns raised by members of the community, we've invested in equipment to alleviate shadow issues and curtail sound beyond what is required by the planning regulations.

In June 2014 we hosted an open day at Avonmouth wind farm for the local community and those involved in delivering the project. We welcomed 130 guests, a third of whom were children, who were entertained with

16 Method used for calculations:

CO2 saved: TR uses uses DECC's carbon saving figure of 430g/kWh. The same conversion figure is used by RenewableUK on its website. Carbon reduction is calculated by multiplying the kWh produced by projects in our portfolio by the number of grammes of CO2 saved per kilowatt hour and dividing by 1,000,000 (to align the units, as grammes of CO2 is expressed in kWh). So, for example, for Caton Moor: 40,369,000 x 430 / 1,000,000 = 17,359 tonnes of CO2 in 2013.

More information: http://webarchive.nationalarchives.gov.uk/20130403171904, http://www.decc.gov.uk/assets/decc/what%20we%20do/supporting%20consumers/saving_energy/analysis/fes-appendix.pdf

Homes Powered Equivalent (p.a.): This is calculated using the most recent statistics from the Department of Energy and Climate Change showing that annual UK average domestic household consumption is 4,192kWh.

CO2 usage per person in the UK: CO2 per person in the UK sourced from http://data.worldbank.org/indicator/EN.ATM.CO2E.PC

Smart phone usage: The iPhone 6 Plus consumes 16.8 watt-hours to charge, taking 2 hours and 35 minutes. At a charging frequency of 250 times per year we multiply 0.0168 kWh/charge by 250 charges per year to get 4.20 kWh per year.

interactive science shows, illustrating climate change and sustainable energy, tours inside the turbines and many other activities. This gave us a fantastic opportunity to engage with and listen to the people closest to our projects. We hope to repeat similar events in 2015.

Going concern

Triodos 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 the company and the group have sufficient cash funds and finance facilities available for their ongoing operations.

9.9 tonnes CO_2

saved per year by Triodos Renewables' average shareholder (based on 3, 600 shares)

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, we continue to adopt the going concern basis in preparing the annual report and accounts.

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 provide 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

Triodos Renewables is reliant on market wholesale electricity prices at its largest two sites, Caton Moor and Wern Ddu. To mitigate this risk, we negotiate long-term power price agreements (PPAs) with 'floor' prices to protect our downside risk. Due to a new financing arrangement entered into during the year, the company has entered into an RPI swap to manage an element of risk relating to changes in the RPI rate built into ROC contracts.

32,080

number of UK homes equivalent powered from our portfolio in 2014

Interest rate risk

Triodos Renewables utilises 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 which 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, Triodos Renewables will normally only consider entering into power purchase agreements for the sale of its electricity with utility companies or government-backed contracts. With merchant projects such as Dunfermline 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.

32 million

number of smart phones which could be charged for a whole year using electricity generated by our portfolio in 2014

Foreign exchange risk

Triodos 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. Triodos Renewables uses tried and tested technologies backed by warranty and service packages. Generally, warranties will guarantee a level of availability for between five and 15 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.

Government policy

The renewable energy industry receives government incentives to encourage the generation of renewable energy. While there is a possibility of a change in the political party forming the UK government, all main political parties have made strong commitments to meeting high renewable energy targets, although there is always a risk of changes in policy relating to specific renewable incentives. To date, whilst there have been several changes in support mechanisms, 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
On behalf of Triodos Corporate Officer Limited
Secretary

Directors' report

Directors

The current directors of the company, who served throughout the financial year and to date, are as shown on page 1.

All directors served throughout the year with the exception of James Vaccaro, who retired from the Board at the AGM on 20 June 2014, after more than a decade of involvement in various roles for Triodos Renewables. Our thanks go to James for his very significant contribution to Triodos Renewables throughout this period.

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	**2014**	**2013**
Ann Berresford	-	-
Matthew Clayton	600	600
Katie Gordon	-	-
Colin Morgan	-	-
Simon Roberts	514	505
Peter Weston	2,631	-

Dividends

The recommended dividend for 2013 of 4p per share was paid in July 2014. Based on the profitability in the year, the directors recommend a dividend of 4p per share for payment in 2015.

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 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.

Auditor

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 is 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.

Deloitte LLP have indicated their willingness to continue in office as the company's auditor and a resolution for their reappointment will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board
On behalf of Triodos Corporate Officer Limited
Secretary

Board of Directors

Simon Roberts OBE - Chairman

Simon has spent 30 years helping people, organisations and policy-makers to change the way they think and act on energy. For the last 13 years he has been Chief Executive of the Centre for Sustainable Energy, one of the UK's leading energy charities, providing energy advice to the public, supporting communities to take action, and undertaking research and policy analysis for government. Prior to this, he was a senior manager at Triodos Bank (1998-2002) and Managing Director of Triodos Renewables (formerly The Wind Fund plc) until 2002.

Simon is a specialist adviser to Ofgem and sits on its Consumer Challenge Group, examining the issues associated with developing energy networks fit for a low-carbon future. He also advises the Department of Energy and Climate Change on a number of issues and was a member of the Government's Renewables Advisory Board (2002-2010) where he led its work on community engagement.

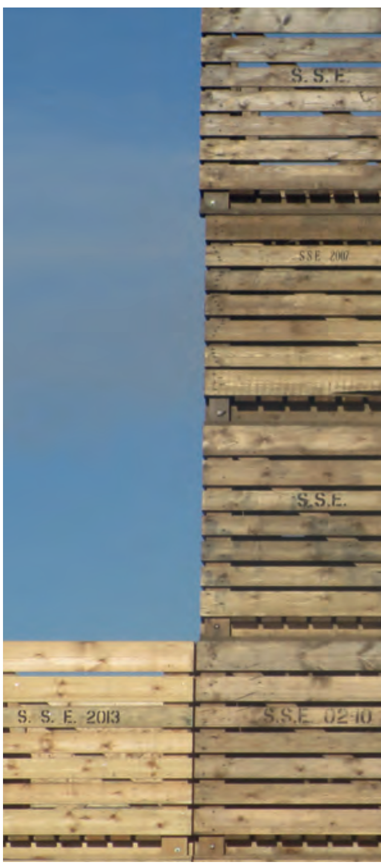
Simon is a non-executive director of Bristol Energy Network CIC which brings together community energy groups active in Bristol and the surrounding area. He was elected a Fellow of the Energy Institute in 2007 and was awarded an OBE for services to the renewables industry in the 2011 Queen's Birthday Honours.

Matthew Clayton - Executive Director

Matthew has worked in the Triodos Renewables team since 2006 and undertakes the overall management of Triodos Renewables plc. In his former role as Operations Director, Matthew led the project development, construction and operation of the Company's portfolio. 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.

Ann Berresford – Non-Executive Director

Ann has over 25 years experience in financial management across the financial services and energy sectors. Until 2006, she was Finance Director for the



Bank of Ireland's UK Financial Services Division and for Bristol and West plc. Prior to that, Ann held a range of senior roles in Clyde Petroleum plc, an independent British oil and gas exploration and production company, including Group Treasurer and Finance Director for the Dutch operations, based in The Hague. Ann is now a non-executive director at the Pensions Regulator and Bath Building Society. She is also an independent trustee to the local government Avon Pension Fund, administered by Bath and North East Somerset Council. Ann read Chemistry at Liverpool University and is a qualified Chartered Accountant.

Peter Weston – Non-Executive Director

Peter has 19 years experience working in the energy and renewables markets as an investor, lender and strategic adviser. He is currently advising several renewable and energy efficiency start-ups and is a trustee of Renewable World, a charity which develops sustainable energy projects for the world's poorest countries. Over the last four years, he led the financing and investment businesses of two global power equipment manufacturers: the wind turbine arm of Siemens and the engine supply business of MAN. Prior to this, he was head of the energy lending division of GE Capital in Europe and was an executive director for Westdeutsche Landesbank's energy group. He was business development manager at US energy trader Aquila and established the European energy consulting business for a subsidiary of Osaka Gas. Previously he was a journalist for Euromoney and the Financial Times. Peter has a BA in Economics and Politics from the University of Warwick.

Katie Gordon – Non-Executive Director

Katie is Director of Responsible Investment and Stewardship at CCLA, the top rated UK fund manager for Socially Responsible Investment (SRI) (Extel 2013), where she is leading the public health engagement programmes and helping expand the segregated client business. 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 six years as a trustee of Durrell Wildlife Conservation Trust and seven years as a board member 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.

Colin Morgan – Non-Executive Director

Colin has worked in the renewable energy industry since 1987 and is a Chartered Mechanical Engineer. Through his career his work has included: wind turbine design and analysis; software development and support; research into wind farm wake effects; wind and energy resource assessment; technical due diligence of projects for lenders and investors; construction management; and wind turbine inspection. He also built and led a multi-disciplinary team of consulting engineers in offshore wind projects and led the development of a policy and strategy advisory service in renewables. He has spent most of his career with DNV GL, the world's leading advisor to the energy value chain. With DNV GL, he has had profit and loss management responsibility for global regions and associated legal entity director roles. He has sat on various industry bodies including, in the past, the Renewable UK Offshore Wind Strategy Group, Offshore Wind Delivery Group, EU Thematic Platform Member, Technology Programme Assessor and, recently, he chaired the Renewable UK Onshore Wind Cost Reduction Taskforce.

Triodos Corporate Officer Limited – Non-Executive Director

Triodos Corporate Officer Limited (an indirect wholly-owned subsidiary of Stichting Triodos Holding) nominates a representative to the Board, currently Charles Middleton, the Managing Director of Triodos Bank in the UK.

Executive Management Team

The day-to-day management of Triodos Renewables is carried out by Triodos Bank NV in accordance with a formal management agreement. The Executive Management team comprises:

Matthew Clayton – Executive Director

See above in the Board section

Katrina Cross - Finance Director

Katrina joined the bank in 2012 as Head of Finance and Operations for Investment Management UK which provides 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 the group. 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 Triodos, 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 Triodos enables Katrina to work towards providing robust financial returns to investors whilst delivering strong social and environmental benefit.

Monika Paplaczyk – Senior Investment Manager

Monika is employed by Triodos Bank and has been part of the Triodos Renewables team since 2007. In her role as Senior Investment Manager, Monika leads the originating, development, acquisition and construction of sustainable energy assets for Triodos 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 mainly involved in preparing business plans and grant applications for community development, biomass and grain storage projects.

Adrian Warman – Operations Manager

Adrian joined 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 & Safety, systems development, resource management and logistics. Prior to joining Triodos 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.

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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditor's report to the members of Triodos Renewables plc

We have audited the financial statements of Triodos Renewables plc for the year ended 31 December 2014 which comprise the Consolidated Profit and Loss Account, the Consolidated and Parent Company Balance Sheets, the Consolidated Cash Flow Statement and the related notes 1 to 31. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, 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). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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 or 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. 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.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2014 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- 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; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Mark Taylor (Senior statutory auditor)
for and on behalf of Deloitte LLP

Chartered Accountants and Statutory Auditor
Bristol, United Kingdom

Consolidated profit and loss account year ended 31 December 2014

	Note	2014 £	2013 £
Turnover	2	12,433,110	10,104,361
Cost of sales		(5,863,600)	(4,706,732)
Gross profit		6,569,510	5,397,629
Administrative expenses		(2,253,943)	(1,829,839)
Operating profit	3	4,315,567	3,567,790
Share of associated company operating profit	4	99,462	121,457
Gain on disposal of investments		-	20,909
Interest receivable and similar income		135,698	11,280
Interest payable and similar charges	6	(2,891,281)	(1,989,180)
Profit on ordinary activities before taxation		1,659,446	1,732,256
Tax on profit on ordinary activities	7	(695,312)	(146,471)
Profit on ordinary activities after taxation		964,134	1,585,785
Minority interests	21	1,334	7,878
Profit for the financial year	19	965,468	1,593,663

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

The group has no recognised gains or losses other than the profit for the current and the prior financial year. Accordingly no separate statement of total recognised gains and losses has been presented.

Consolidated balance sheet at 31 December 2014

	Note	2014 £	2013 £
Fixed assets			
Tangible assets	10	59,309,304	48,073,990
Intangible assets	11	17,140,841	16,970,957
Investments – associates	12	1,992,964	2,028,567
		78,443,109	67,073,514
Current assets			
Debtors	13	7,113,430	6,463,342
Investments	12	-	66,800
Cash at bank and in hand		8,071,733	10,690,600
		15,185,163	17,220,742
Creditors: amounts falling due within one year	14	(7,742,524)	(8,054,843)
Net current assets		7,442,639	9,165,899
Total assets less current liabilities		85,885,748	76,239,413
Creditors: amounts falling due after more than one year	15	(48,349,620)	(42,832,014)
Provisions for liabilities	17	(2,730,051)	(2,011,916)
Net assets		34,806,077	31,395,483
Capital and reserves			
Called up share capital	18	10,401,101	10,009,434
Share premium account	19	21,538,533	20,282,720
Capital redemption reserve	19	14,210	14,210
Profit and loss account	19	1,291,224	1,126,511
Shareholders' funds		33,245,068	31,432,875
Minority interests	21	1,561,009	(37,392)
Capital employed	20	34,806,077	31,395,483

The financial statements of Triodos Renewables plc, registered number 02978651, were approved by the Board of Directors and authorised for issue on 18 May 2015.

Signed on behalf of the Board of Directors

Matthew Clayton
Director

Simon Roberts
Director

Company balance sheet at 31 December 2014

	Note	2014 £	2013 £
Fixed assets			
Investments	12	17,931,849	14,127,716
Current assets			
Debtors	13	22,630,928	21,357,054
Investments	12	-	66,800
Cash at bank and in hand		2,927,021	5,397,449
		25,557,949	26,821,303
Creditors: amounts falling due within one year	14	(8,099,037)	(8,198,064)
Net current assets		17,458,912	18,623,239
Total assets less current liabilities		35,390,761	32,750,955
Creditors: amounts falling due after more than one year	15	(2,357,703)	(2,461,802)
Net assets		33,033,058	30,289,153
Capital and reserves			
Called up share capital	18	10,401,101	10,009,434
Share premium account	19	21,538,533	20,282,720
Capital redemption reserve	19	14,210	14,210
Profit and loss account	19	1,079,214	(17,211)
Shareholders' funds	20	33,033,058	30,289,153

The financial statements of Triodos Renewables plc, registered number 02978651, were approved by the Board of Directors and authorised for issue on 18 May 2015.

Signed on behalf of the Board of Directors

Matthew Clayton
Director

Simon Roberts
Director

Consolidated cash flow statement
year ended 31 December 2014

	Note	2014 £	2013 £
Net cash inflow from operating activities	22	7,081,000	3,931,951
Returns on investments and servicing of finance			
Sale of investment		-	20,909
Interest received		134,863	10,631
Interest paid		(2,774,865)	(1,938,923)
Net cash outflow from returns on investments and servicing of finance		(2,640,002)	(1,907,383)
Taxation			
Corporation tax paid		79,442	(8,010)
Capital expenditure and financial investment			
Payments to acquire tangible and intangible fixed assets		(13,767,858)	(11,536,669)
Decrease in current asset investment		66,800	7,200
Net cash outflow from capital expenditure and financial investment		(13,701,058)	(11,529,469)
Acquisitions and disposals			
Payments to acquire subsidiary undertakings		(210,932)	(843,826)
Payments to acquire associate undertakings		-	(2,058,370)
Net cash outflow before use of liquid resources and financing		(9,391,550)	(12,415,107)
Financing			
New share capital		1,952,790	-
Share capital bought back		(162,180)	(51,156)
Share issue costs		(173,730)	(24,059)
Bank loans		8,746,173	18,206,513
Equity dividends paid		(800,760)	(386,101)
Repayment of borrowings		(2,789,610)	(2,588,932)
Bank fees offset loan		-	(289,138)
Net cash inflow from financing		6,772,683	14,867,127
Net movement in cash and cash equivalents	23 & 24	(2,618,867)	2,452,020

Notes to the consolidated financial statements year ended 31 December 2014

1. Accounting policies

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted, which have been applied consistently throughout the current and the prior financial year, are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

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.

Basis of consolidation

The group financial statements consolidate the financial statements of the company and all subsidiaries for the financial year ended 31 December 2014. The results of subsidiaries acquired or sold are consolidated for the periods from or to the date on which control passed. Acquisitions are accounted for under the acquisition method. The directors have also taken advantage of the exemption granted by the Companies Act 2006 to omit the company profit and loss account from these financial statements.

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.

Associates

In the group financial statements investments in associates are accounted for using the equity method. The consolidated profit and loss account includes the group's share of associates' profits less losses while the group's share of the net assets of the associates is shown in the consolidated balance sheet. Goodwill arising on the acquisition of associates is accounted for in accordance with the policy set out above. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Tangible fixed assets

Depreciation is provided on cost in equal annual instalments over the estimated lives of the assets. The rates of depreciation are as follows:

Land and buildings: 4% per annum

Plant and machinery: 5% per annum

Assets under construction are not depreciated.

Intangible fixed assets and goodwill

Amortisation is provided on cost in equal annual instalments over the estimated lives of the assets and goodwill. The rates of amortisation are as follows:

Power purchase agreements and goodwill: 5% per annum

Intangible assets - development costs

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.

Turnover

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.

Taxation

Current tax, including UK corporation tax and foreign 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.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on a discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign exchange

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

Leases

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

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.

Derivative financial instruments

- The group uses derivative financial instruments to reduce exposure to inflation rate risk and interest rate movements. The group does not hold or issue derivative financial instruments for speculative purposes.
- For a foreign currency forward contract to be treated as a hedge the instrument must be related to actual foreign currency assets or liabilities or to a probable commitment. It must involve the same currency or similar currencies as the hedged item and must also reduce the risk of foreign currency exchange movements on the group's operations. Gains and losses arising on these contracts are deferred and recognised in the profit and loss account, or as adjustments to the carrying amount of fixed assets, only when the hedged transaction has itself been reflected in the group's financial statements.
- For an interest rate swap to be treated as a hedge the instrument must be related to actual assets or liabilities or a probable commitment and must change the nature of the interest rate by converting a fixed rate to a variable rate or vice versa. Interest differentials under these swaps are recognised by adjusting net interest payable over the periods of the contracts.

- Inflation rate swap contracts are treated as a hedge where the instrument relates to a committed income or expense the value of which changes in response to a variable inflation measure, such as RPI, and the contract swaps this to a fixed rate of increase. Differentials between the inflation and contract rate are recognised by adjusting the net income or expense of the hedged item.

If an instrument ceases to be accounted for as a hedge, for example because the underlying hedged position is eliminated, the instrument is marked to market and any resulting profit or loss recognised at that time.

2. 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.

3. Operating profit

	2014 £	2013 £
Operating profit is stated after charging:		
Auditor's remuneration:		
- audit of the parent company accounts	12,689	12,500
- audit of subsidiary accounts	53,002	46,500
- tax and other services	45,200	39,746
Depreciation	3,038,738	2,309,716
Amortisation	1,107,487	1,116,532
Amortisation of goodwill in associates	97,804	83,489
Foreign exchange losses	63,685	2,793
Operating leases – other	339,925	302,131

4. Share of associated company operating profits

	2014 £	2013 £
Share of associate's operating profit	197,266	204,946
Amortisation of goodwill	(97,804)	(83,489)
	99,462	121,457

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

5. Information regarding directors and employees

	2014 £	2013 £
Group and Company		
The remuneration of directors was as follows:		
Directors' emoluments	47,435	49,649

Executive directors were remunerated by Triodos Bank under the 'Provision of Fund Management Services Agreement' (see note 27). No pension contributions were paid on behalf of the directors in either year.

	2014 £	2013 £
Co-worker costs were as follows:		
Wages and salaries	47,783	50,965
Social security costs	5,505	5,153
Other pension costs	4,639	3,637
	57,927	59,755

During 2014 the average number of coworkers employed was one (2013: one). Under the terms of the 'Provision of Fund Management Services Agreement', Triodos Bank is responsible for the management and the administrative running of the group.

6. Interest payable and similar charges

	2014 £	2013 £
Bank loans	2,255,795	1,714,091
Other loans	519,070	168,043
Share of associate's interest payable	116,416	107,046
	2,891,281	1,989,180

7. Tax on profit on ordinary activities

	2014 £	2013 £
(a) Analysis of (credit)/charge in year		
United Kingdom corporation tax:		
Current tax on income for the year at 21.5% (2013: 23.25%)	1,518	103,835
Adjustment in respect of previous years	(24,329)	(10,393)
Share of associate's tax (credit)/charge	(12)	44,863
	(22,823)	138,305
Deferred taxation:		
Origination and reversal of timing differences	640,733	594,357
Adjustments in respect of previous years	(3,976)	(18,217)
Effect of decreased tax rate	(41,677)	(378,511)
Movement in discount	105,693	(189,463)
Total deferred tax charge	718,135	8,166
Tax on profit on ordinary activities	695,312	146,471

(b) Factors affecting tax charge for the year		
Profit on ordinary activities before tax	1,659,446	1,732,256
Profit on ordinary activities at average standard rate of corporation tax in the UK of 21.5% (2013: 23.25%)	356,781	402,749
Effects of:		
Expenses not deductible for tax purposes	311,278	315,588
Difference between capital allowances and depreciation	(589,080)	(424,011)
Utilisation of tax losses brought forward	(48,241)	(24,943)
Tax losses carried forward	21,788	51,575
Adjustment in respect of previous years	(24,239)	(10,393)
Movement in short-term timing differences	(2,298)	(22,236)
Capitalised interest deduction	(48,607)	(140,662)
Effect of small companies rate	(115)	(4,500)
Difference between accounting profit and the gain on disposal of shares	-	(4,862)
	(22,823)	138,305

The forthcoming changes in the corporation tax rate to 20% by 2015 are not expected to materially affect the future tax charge

8. Dividends

	2014 £	2013 £
Final dividend paid 4p (2013: 2p) per ordinary share	800,755	400,798

9. Profit of parent company

As permitted by section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these accounts. The parent company's profit for the financial year amounts to £1,897,180 (2013: profit £348,435). The profit for 2014 included £2,650,000 (2013: £1,005,000) of dividends received from subsidiary companies.

10. Tangible fixed assets

Group	Land and buildings £	Plant and machinery £	Assets under construction £	Total £
Cost				
At 1 January 2014	325,000	60,131,611	-	60,456,611
Additions		4,377,309	9,896,743	14,274,052
At 31 December 2014	325,000	64,508,920	9,896,743	74,730,663
Accumulated depreciation				
At 1 January 2014	211,167	12,171,454	-	12,382,621
Charge for the year	15,500	3,023,238	-	3,038,738
At 31 December 2014	226,667	15,194,692	-	15,421,359
Net book value				
At 31 December 2014	98,333	49,314,228	9,896,743	59,309,304
At 31 December 2013	113,833	47,960,157	-	48,073,990

Cumulative finance costs of £1,437,863 (2013 - £642,914) have been included in the cost of tangible fixed assets.

11. Intangible fixed assets

Group	Goodwill £	Development costs £	Power purchase agreement £	Total £
Cost				
At 1 January 2014	22,447,393	718,500	279,975	23,445,868
Additions	1,960,188	30,961	-	1,991,149
Transferred to tangible fixed assets	-	(713,778)	-	(713,778)
At 31 December 2014	24,407,581	35,683	279,975	24,723,239
Accumulated depreciation				
At 1 January 2014	6,342,055	-	132,856	6,474,911
Charge for the year	1,093,488	-	13,999	1,107,487
At 31 December 2014	7,435,543	-	146,855	7,582,398
Net book value at 31 December 2014	16,972,038	35,683	133,120	17,140,841
At 31 December 2013	16,105,338	718,500	147,119	16,970,957

The amounts transferred from development costs have been transferred to assets under construction as the costs relate to sites that have now gone through the development process and are now in the construction phase.

The movements in goodwill during the year are as follows:

	£
Triodos Renewables (Caton Moor) Limited	15,683
Triodos Renewables (March) Limited	(194,060)
Boardinghouse Windfarm Limited	1,780,217
Triodos Mellinsus Partnership Limited	358,348
	1,960,188

Additions in relation to Caton Moor relate to earn-out payments due following the successful closeout of conditions relating to company sales. The reduction related to March is for the transfer of costs to plant and machinery.

The reduction in Goodwill for Triodos Renewables (March) Limited relates to £194,060 of development costs that were transferred to fixed assets on completion of the wind farm. This leaves the surplus purchase consideration of £535,767 classified as goodwill.

Additions for Boardinghouse Windfarm is related to the acquisition of 55% of the share capital in February 2014. Prior to the point of purchase, the business held certain planning consents for the construction of a wind farm, but had no other assets. The company was acquired for cash consideration (including costs) of £3,694,216 and held assets with a net book value of £3,486,333 arising from the issue of new share capital to us. Accordingly, the surplus purchase consideration of £1,780,217 has been classified as Goodwill.

Additions for Triodos Mellinsus Partnership is related to the exercise of the option to purchase the 40% from MRL to give Triodos Renewables plc 100% ownership on 29th December 2014. At the point of purchase, the business held certain planning consents for the construction of a wind farm and related liabilities such that overall there was a net book liability of £87,190. The company was acquired for consideration of £323,472. Accordingly, the surplus purchase consideration of £358,348 has been classified as Goodwill.

12. Fixed asset investments

Investment in associates - Group	£
Share of net assets	
At 1 January 2014	609,261
Share of operating profit	197,266
Share of interest receivable	835
Share of interest payable	(116,416)
Share of tax payable	12
At 31 December 2014	690,958
Goodwill	
At 1 January 2014	1,419,306
Disposals	(19,496)
Amortisation of goodwill	(97,804)
At 31 December 2014	1,302,006
Net book value at 31 December 2014	1,992,964
Investments in subsidiary undertakings and other investments at cost – Company	
Balance brought forward	14,127,716
Additions	3,804,133
Balance at 31 December 2014	17,931,849

Reduction to the group's investment in associates relate to the repayment of retention monies for the Fenpower Limited acquisition.

Movements in investments during the year are as follows:

	£
Triodos Renewables (Fenpower) Limited	(19,496)
Triodos Renewables (March) Limited	(194,060)
Boardinghouse Windfarm Limited	3,694,216
Triodos Mellinsus Partnership Limited	323,472
	3,804,132

During the year the following subsidiary was added to the group:

In February 2014 Triodos Renewables (Boardinghouse) Limited was formed as a new company in order to purchase 55% of the issued shares in Boardinghouse Windfarm Limited. Prior to the point of purchase, the business held certain planning consents for the construction of a wind farm, but had no other assets. The company was acquired for cash consideration (including costs) of £3,694,216.

Reduction to the group's investment in associates relate to the repayment of retention monies for the Fenpower Limited acquisition.

The reduction in investment for Triodos Renewables (March) Limited relates to £194,060 of development costs that were transferred to fixed assets on completion of the wind farm. This leaves the surplus purchase consideration of £535,767 classified as goodwill.

Additions for Triodos Mellinsus Partnership is related to the exercise of the option to purchase the 40% from MRL to give Triodos Renewables plc 100% ownership on 29th December 2014. The company was acquired for consideration of £323,472.

Subsidiary undertakings

Details of the principal subsidiaries and other investments are as follows:

Name of company	Class	% owned	Country of incorporation	Principal activity
Triodos Renewables (Caton Moor) Limited	Ordinary	100%	England	Energy supply
Triodos Renewables (Ness Point) Limited	Ordinary	100%	England	Energy supply
Triodos Renewables (Sigurd) Limited	Ordinary	100%	England	Energy supply
Triodos Renewables (Severn) Limited	Ordinary	100%	England	Energy supply
Triodos Renewables (Beochlich) Limited	Ordinary	100%	England	Energy supply
Triodos Renewables (Haverigg II) Limited	Ordinary	100%	England	Energy supply
Brunel Wind Limited	Ordinary	100%	England	Energy supply
Triodos Renewables (HGL) Limited	Ordinary	100%	England	Dormant
Triodos Renewables (HL) Limited	Ordinary	100%	England	Dormant
Triodos Renewables (HEL) Limited	Ordinary	100%	England	Dormant
Triodos Renewables (Wern Ddu) Limited	Ordinary	100%	England	Energy supply
Triodos Renewables (Kessingland) Limited	Ordinary	100%	England	Energy supply
Triodos Mellinsus Projects Limited	Ordinary	100%	England	Holding company
Triodos Renewables (Dunfermline) Limited	Ordinary	100%	England	Energy supply
Triodos Renewables (Eye) Limited	Ordinary	100%	England	Energy supply
Triodos Renewables (Fenpower) Limited	Ordinary	50%	England	Holding company
Fenpower Limited	Ordinary	25%	England	Energy supply
Triodos Renewables (Bristol) Limited	Ordinary	100%	England	Holding company
Triodos Renewables (Cambridge) Limited	Ordinary	100%	England	Holding company
Triodos Renewables (March) Limited	Ordinary	100%	England	Energy supply
Triodos Renewables (Auchtygills) Limited	Ordinary	100%	England	Energy supply (in development)
Triodos Renewables (Clayfords) Limited	Ordinary	100%	England	Energy supply (in development)
Triodos Renewbles (Boardinghouse) Limited	Ordinary	100%	England	Holding company
Boardinghouse Windfarm Limited	Ordinary	55%	England	Energy supply (in development)

Current assets investments – Group and Company	£
Loan to Mellinsus Renewables Limited as at 1 January 2014	66,800
Repayment by Mellinsus Renewables Limited	(66,800)
As at 31 December 2014	-

Mellinsus Renewables Limited was the minority shareholder of Triodos Mellinsus Projects Limited, a subsidiary undertaking of the group, but on 29 December 2014 the shares were purchased by Triodos Renewables plc and therefore we now own 100% of Triodos Mellinsus Projects Limited

13. Debtors

	Group 2014 £	Group 2013 £	Company 2014 £	Company 2013 £
Trade debtors	284,521	306,956	-	2,092
Amounts owed by group undertakings	-	-	20,583,359	19,498,847
Corporation tax	10,361	-	-	1,880
Other debtors	267	266	1,605,172	-
Prepayments and accrued income	6,402,051	5,290,456	-	1,779,970
Taxation and social security	416,230	865,664	47,118	74,265
Deferred tax asset	-	-	395,279	-
	7,113,430	6,463,342	22,630,928	21,357,054

14. Creditors: amounts falling due within one year

	Group 2014 £	Group 2013 £	Company 2014 £	Company 2013 £
Bank loans (see note 16)	3,228,538	2,789,581	104,059	97,245
Trade creditors	1,228,372	1,965,573	125,026	1,373,312
Other creditors	22,792	22,791	14,984	14,984
Corporation tax	-	102,264	-	-
Accruals and deferred income	3,255,824	3,167,631	922,608	936,939
Amounts owed to group undertakings	-	-	6,925,362	5,768,581
Dividends payable	6,998	7,003	6,998	7,003
	7,742,524	8,054,843	8,099,037	8,198,064

Pension contributions owing at the year-end amounted to £nil (2013: £527).

15. Creditors: amounts falling due after more than one year

	Group 2014 £	Group 2013 £	Company 2014 £	Company 2013 £
Bank loans (see note 16)	41,349,620	35,832,014	357,703	461,802
Mezzanine loan finance	7,000,000	7,000,000	2,000,000	2,000,000
Total loans	48,349,620	42,832,014	2,357,703	2,461,802

16. Borrowings

	Group 2014 £	Group 2013 £	Company 2014 £	Company 2013 £
Bank loans and overdrafts				
Amounts payable				
- due within one year	3,228,538	2,789,581	104,059	97,245
- due after more than one year	41,349,620	35,832,014	357,703	461,802
	44,578,158	38,621,595	461,762	559,047
Other loans				
Amounts payable				
- due after more than one year	7,000,000	7,000,000	2,000,000	2,000,000
Analysis of loan repayments				
Bank loans and overdrafts				
- within one year	3,228,538	2,789,581	104,059	97,245
- within one to two years	3,559,702	3,062,706	111,305	104,059
- within two to five years	12,775,770	9,958,179	246,398	357,743
- after five years	25,014,148	22,811,129	-	-
	44,578,158	**38,621,595**	**461,762**	**559,047**

Group bank loan fees of £520,129 are amortised over seven years, being the term of the associated loan. As at 31 December 2014 there are bank fees of £457,907 offset against group bank loans.

	Group 2014 £	Group 2013 £	Company 2014 £	Company 2013 £
Analysis of loan repayments				
Other loans				
- within two to five years	7,000,000	–	2,000,000	–

At 31 December 2014, group bank loans total £44,578,158.

Amounts totalling £2,204,438 held with Triodos Bank bear interest at a variable rate, currently 3.50%.

Amounts totalling £24,649,802 held with Triodos Bank bear interest at a weighted average fixed rate of 5.85%. Of this amount, £12,745,663 is repayable after five years. This amount bears interest at a weighted average fixed rate of 5.67%.

Amounts totalling £18,181,825 held with Santander Bank bear interest at a weighted average fixed rate of 6.03%. Of this amount, £12,372,089 is repayable after five years. At the year-end, this amount was bearing interest at a weighted average fixed rate of 6.03%. Subsequent to the year-end, when certain projects moved from being in development, to being operational, the rate on this amount fell to a weighted average fixed rate of 5.75%

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

Other loans represent mezzanine loan finance which bears interest at a fixed rate of 7.5%.

17. Provisions for liabilities

	Balance at 1 January 2014 £	Charge to profit and loss account £	Balance at 31 December 2014 £
Group			
Deferred taxation liability	2,011,916	718,135	2,730,051

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

	2014 £	2013 £
Accelerated capital allowances	3,231,257	2,685,750
Tax losses carried forward	(117,495)	(167,124)
Discount	(369,010)	(483,186)
Short-term timing differences	(21,386)	(23,524)
Adjustments in respect of previous periods	6,685	-
	2,730,051	2,011,916

	Balance at 1 January 2014 £	Credit to profit and loss account £	Balance at 31 December 2014 £
Company			
Deferred taxation liability	-	-	-

18. Called up share capital

	2014 No.	2014 £	2013 No.	2013 £
Allotted, called up and fully paid				
Ordinary shares of £0.50 each	20,802,197	10,401,099	20,018,864	10,009,432
‘A’ ordinary shares of £2 each	1	2	1	2
	20,802,198	10,401,101	20,018,865	10,009,434

In November 2014, the company issued 818,800 new shares of £0.50 each at a premium of £1.78 each, raising new capital of £1.86 million. The company bought back 61,200 shares of 50p each at a premium of £1.43 per share.

The company now offers a SCRIP scheme whereby shareholders can receive new shares instead of cash dividends. The company issued 25,733 new 50p shares at a premium of £1.65 per share under this scheme.

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.

19. Statement of movements on reserves

	Share premium account £	Capital redemption reserve £	Profit and loss account £
Group			
At 1 January 2014	20,282,720	14,210	1,126,511
Profit for the financial year	-	-	965,468
Shares issued (net of issue costs and redemptions)	1,255,813	-	-
Dividends	-	-	(800,755)
Transfer to capital redemption reserve	-	-	-
At 31 December 2014	**21,538,533**	**14,210**	**1,291,224**
Company			
At 1 January 2014	20,282,720	14,210	(17,211)
Profit for the financial year	-	-	1,897,180
Dividends paid	-	-	(800,755)
Shares issued (net of issue costs and redemptions)	1,255,813	-	-
Transfer to capital redemption reserve	-	-	
At 31 December 2014	**21,538,533**	**14,210**	**1,079,214**

20. Reconciliation of movements in shareholders' funds

	2014 £	2013 £
Group		
Profit for the financial year	965,467	1,593,663
Dividends	(800,755)	(400,798)
Share capital (issued/acquired) (net of issue costs and redemptions)	1,647,480	(60,519)
Net increase in shareholders' funds	1,812,192	1,132,346
Opening shareholders' funds	31,395,483	30,300,529
Closing shareholders' funds (excluding minority interests)	33,207,675	31,432,875
Minority interests	1,563,727	(37,392)
Minority interest transferred	34,675	-
Closing shareholders' funds	**34,806,077**	**31,395,483**

	2014 £	2013 £
Company		
Profit for the financial year	1,897,180	348,435
Dividends paid	(800,755)	(400,798)
Share capital (issued/acquired) (net of issue costs and redemptions)	1,647,480	(60,519)
Net decrease in shareholders' funds	2,743,905	(112,882)
Opening shareholders' funds	30,289,153	30,402,035
Closing shareholders' funds	**33,033,058**	**30,289,153**

21. Minority interests

	2014 £	2013 £
At 1 January	(37,392)	(29,514)
Minority interest bought out on acquisition of TMPL	34,875	-
Minority share of profit on ordinary activities after taxation	(1,334)	(7,878)
Minority interest arising on acquisition of Boardinghouse	1,564,860	-
At 31 December	1,561,009	(37,392)

22. Reconciliation of operating profit to net cash

Inflow from operating activities	2014 £	2013 £
Operating profit	4,315,567	3,567,790
Increase in debtors	(650,088)	(425,599)
Decrease in creditors	(730,704)	(2,636,488)
Depreciation and amortisation	4,146,225	3,426,248
Net cash inflow from operating activities	**7,081,000**	**3,931,951**

23. Analysis of net debt

	At 1 January 2014 £	Cash flow £	Other non-cash changes £	At 31 December 2014 £
Cash at bank and in hand	10,690,600	(2,618,867)	-	8,071,733
Bank loans and other loans falling due within one year	(2,789,581)	2,789,581	(3,228,538)	(3,228,538)
Bank and other loans falling due after more than one year	(42,832,014)	(8,746,144)	3,228,538	(48,349,620)
Current asset investment	66,800	(66,800)	-	-
Net debt	**(34,864,195)**	**(8,642,230)**	**-**	**(43,506,425)**

24. Reconciliation of net cash flow to movement in net debt

	2014 £	2013 £
Decrease in current asset investment	(66,800)	(7,200)
Decrease in cash at bank in the year	(2,618,867)	2,452,020
Increase in debt	(5,956,563)	(15,617,581)
Change in net debt resulting from cash flows	(8,642,230)	(13,172,761)
Bank fees	-	289,138
Net debt at 1 January	(34,864,195)	(21,980,572)
Net debt at 31 December	**(43,506,425)**	**(34,864,195)**

25. Capital commitments

	2014 £	2013 £
At 31 December, the group was committed to the following capital expenditure	5,797,508	658,914

26. Operating lease commitments

At 31 December, the group was committed to making the following payments during the next year in respect of operating leases:

	Land and buildings	
	2014 £	2013 £
Operating leases which expire: after more than five years	263,593	245,566

27. Related party transactions

Under the terms of the 'Agreement for the Provision of Management Services' Triodos Bank is responsible for the management and the administrative running of the company. During the year, Triodos Bank received fees of £723,622 for this service (2013: £594,850). This amount is included in creditors at the year-end.

The group's borrowings with Triodos Bank are disclosed in note 16.

At the year-end the company has a loan of £nil (2013: £66,800) due from Mellinsus Renewables Limited, a joint venture partner in Triodos Mellinsus Projects Limited. The maximum amount outstanding during the year was £66,800 (2013: £74,000).

28. Contingent liabilities

By an agreement dated 24 July 2006, the company agreed to acquire the entire issued share capital of Hainsford Group Limited (now Triodos 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. 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 Triodos 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.

29. Controlling interest

The directors consider that under UK GAAP Stichting Triodos Holding is the company's controlling party by virtue of its holding of the 'A' share. The rights of the 'A' Share are disclosed in note 19.

30. Derivatives not included at fair value

The company has derivatives that are not included at fair value in the financial statements. The company has entered into an RPI swap to hedge its exposure to changes in RPI attached to ROC income. At the year-end, the combined fair value of the swaps was an asset of £26,629 (2013: (£73,353)). The fair value derives from the difference between the swap rates and the current RPI rate at the year-end.

The company has derivatives that are not included at fair value in the financial statements. The company has entered into an interest swap to hedge its exposure to changes in the variable interest rate applied to a bank loan. At the year-end, the combined fair value of the swaps was a liability of £1,807,999 (2013: £70,892). The fair value derives from the difference between the swap rates and the current LIBOR rate at the year-end.

31. Post balance sheet events

Triodos Renewables plc

449,921 shares were issued in February 2015 at the second close of the share issue, and 275,000 shares were issued in April 2015 to an existing shareholder at £2.28 per share.

Triodos Renewables (Boardinghouse) Limited

On 28 April 2015 Triodos Renewables acquired 172 shares in Boardinghouse Windfarm Limited for a cash consideration of £1.3m, increasing the overall holding in the project to 75% from 55%. At the end of April 2015 the project was at the end of its commissioning stage, four months ahead of schedule and already delivering electricity to the grid. The remaining shares are owned between the landlord and the developer.

Triodos Renewables plc

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