



# PREMIER MITON GLOBAL RENEWABLES TRUST PLC

Annual report  
and accounts  
for the year ended  
31 December 2022



**Premier Miton**  
INVESTORS



# Financial Calendar 2023

Company's year end .....	31 December
Annual results announced .....	March
Annual General Meeting .....	26 April 2023
Company's half year end .....	30 June
Half year results announced .....	August
Dividend payments .....	At the end of March, June, September and December



"Investors around the world are increasingly looking for exposure to rapidly growing environmental markets and the Green Economy Mark is a great signpost for such interest."

London Stock Exchange plc

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Cover photograph:

Northland Power, construction of Deutsche Bucht wind farm, used with permission.

# Investment Objectives

The investment objectives of the Premier Miton Global Renewables Trust PLC are to achieve a high income from, and to realise long term growth in the capital value of its portfolio. The Company seeks to achieve these objectives by investing principally in the equity and equity-related securities of companies operating primarily in the renewable energy sector, as well as other sustainable infrastructure investments.

## Company Summary

### Group

Premier Miton Global Renewables Trust PLC (the "Company") (formerly Premier Global Infrastructure Trust PLC), and its wholly-owned subsidiary, PMGR Securities 2025 PLC.

### Capital Structure

**Ordinary Shares (1p each)** 18,238,480 (as at 14 March 2023)

The Ordinary Shares are entitled to all of the Company's net income available for distribution by way of dividends. On a winding-up, they will be entitled to any undistributed revenue reserves and any surplus assets of the Company after the Zero Dividend Preference Shares ("ZDPs"/"ZDP Shares") accrued capital entitlement and payment of all liabilities. The Ordinary Shareholders have the right to receive notice of, to attend and to vote at all general meetings of the Company. The Ordinary Shares are qualifying investments for ISAs.

**Zero Dividend Preference Shares (1p each)** 14,217,339

**Issued by PMGR Securities 2025 PLC**

The 2025 ZDP Shares ("2025 ZDPs") will have a final capital entitlement of 127.6111p on 28 November 2025, equivalent to a gross redemption yield<sup>#</sup> from the date of issue of 5.0% per annum, subject to there being sufficient capital in the Company. The 2025 ZDPs are qualifying investments for ISAs.

### Company Details

#### Investment Manager

Premier Fund Managers Limited ("PFM Limited"), is a subsidiary of Premier Miton Group plc ("PMI Group"). PMI Group had £13.9 billion of funds under management at 31 December 2022. PFM Limited is authorised and regulated by the Financial Conduct Authority ("FCA"). The Company's portfolio is managed by James Smith with support from PFM Limited's global equity team. Premier Portfolio Managers Limited ("PPM") is the Company's Alternative Investment Fund Manager. PPM has delegated the portfolio management of the Company's portfolio of assets to PFM Limited.

#### Management Fee

0.75% per annum of the gross assets under management, charged 40% to revenue and 60% to capital.

<sup>#</sup> See Glossary of Terms for definitions and Alternative Performance Measures on page 76.



The Company received London Stock Exchange's Green Economy Mark, a classification which is awarded to companies and funds that are driving the global green economy, in January 2022. To qualify for the Green Economy Mark, companies and funds must generate 50% or more of their total annual revenues from products and services that contribute to the global green economy.



The Fund Manager integrates Governance and Social responsibility into its investment process. Premier Miton is a signatory to the Principles for Responsible Investment, an organisation which encourages and supports its signatories to incorporate environmental, social, and governance factors into their investment and ownership decisions.



The Crown Fund Rating is a global quantitative rating that is based on a fund's historical performance relative to an appropriate benchmark. The rating relies on three key measurements - alpha, volatility and consistent performance, to dictate the one-to-five Crown score. The ratings are designed to help investors distinguish funds that have superior performance in terms of stock picking, consistency and risk control.

# Company Highlights

for the year to 31 December 2022

	31 December 2022	31 December 2021	% change
<b>Total Return Performance</b>			
Total Assets Total Return <sup>1#</sup>	<b>(7.3%)</b>	19.8%	
S&P Global Clean Energy Index <sup>2</sup> (GBP)	<b>6.6%</b>	(22.5%)	
Ongoing charges <sup>3#</sup>	<b>1.70%</b>	1.65%	
<b>Ordinary Share Returns</b>			
Net Asset Value per Ordinary Share (cum income) <sup>4#</sup>	<b>178.44p</b>	210.60p	<b>(15.3%)</b>
Mid-market price per Ordinary Share <sup>2</sup>	<b>155.50p</b>	196.50p	<b>(20.9%)</b>
Discount to Net Asset Value <sup>#</sup>	<b>(12.9%)</b>	(6.7%)	
Revenue return per Ordinary Share	<b>7.29p</b>	7.43p	<b>(1.9%)</b>
Net dividends declared per Ordinary Share	<b>7.00p</b>	7.00p	<b>0.0%</b>
Net Asset Value Total Return <sup>5#</sup>	<b>(12.1%)</b>	26.5%	
Share Price Total Return <sup>2#</sup>	<b>(17.7%)</b>	30.7%	
<b>2025 Zero Dividend Preference Share Returns</b>			
Net Asset Value per Zero Dividend Preference Share <sup>4</sup>	<b>110.71p</b>	105.44p	<b>5.0%</b>
Mid-market Price per Zero Dividend Preference Share <sup>2</sup> (Discount)/Premium	<b>108.50p</b> <b>(2.0%)</b>	107.50p 2.0%	<b>0.9%</b>
<b>Hurdle Rates <sup>6#</sup></b>			
Ordinary Shares			
Hurdle rate to return the share price of 155.50p (2021: 196.50p) at 28 November 2025 <sup>2</sup>	<b>(0.8%)</b>	0.7%	
Zero Dividend Preference Shares			
Hurdle rate to return the redemption share price for the 2025 ZDPs of 127.6111p at 28 November 2025	<b>(27.7%)</b>	(23.1%)	
<b>Balance Sheet</b>			
Gross Assets less Current Liabilities (excluding Zero Dividend Preference Shares)	<b>£48.3m</b>	£53.4m	<b>(9.6%)</b>
Zero Dividend Preference Shares	<b>(£15.7m)</b>	(£15.0m)	<b>(5.0%)</b>
Equity Shareholders' Funds	<b>£32.5m</b>	£38.4m	<b>(15.2%)</b>
Gearing <sup>7#</sup>	<b>48.4%</b>	39.0%	
Zero Dividend Preference Share Cover (non-cumulative) <sup>8#</sup>	<b>2.51x</b>	2.74x	

<sup>#</sup> Alternative Performance Measure ("APM"). See Glossary of Terms for definitions and Alternative Performance Measures on page 76.

<sup>1</sup> Source: PFM Limited. Based on opening and closing total assets plus dividends marked "ex-dividend" within the period.

<sup>2</sup> Source: Bloomberg.

<sup>3</sup> Ongoing charges have been based on the Company's management fees and other operating expenses as a percentage of average gross assets less current liabilities over the year (excluding the ZDPs accrued capital entitlement).

<sup>4</sup> Articles of Association basis.

<sup>5</sup> Source: PFM Limited. Based on opening and closing NAVs with dividends marked "ex-dividend".

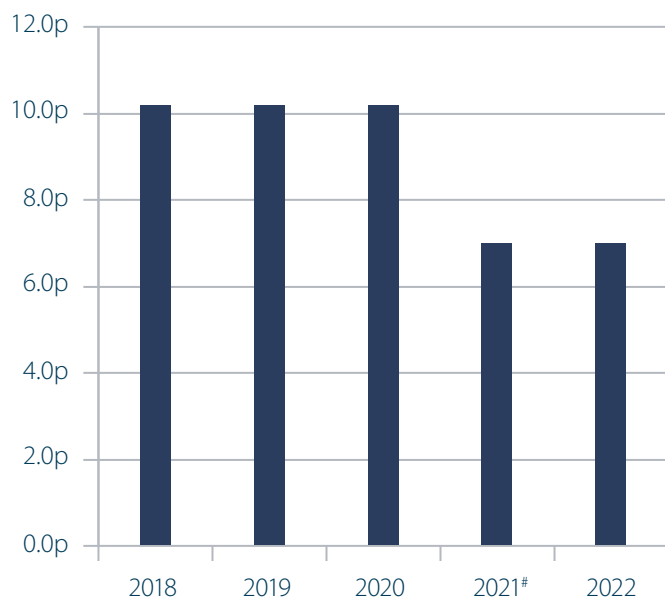
<sup>6</sup> Source: PFM Limited. Hurdle rate definition can be found in the Glossary of Terms and Alternative Performance Measures on page 77.

<sup>7</sup> Source: PFM Ltd. Based on Zero Dividend Preference Shares divided by Equity attributable to Ordinary Shareholders at the end of each year.

<sup>8</sup> Source: PFM Limited. Non-cumulative cover = Gross assets at year end divided by final repayment of ZDPs plus management charges to capital.

# Dividend and Share Price Performance

**Five year dividend chart  
2018-2022**



Source: PFM Limited

<sup>#</sup> Dividend re-based to 7.0p on reduction in gearing following net repayment of ZDP shares at end 2020.

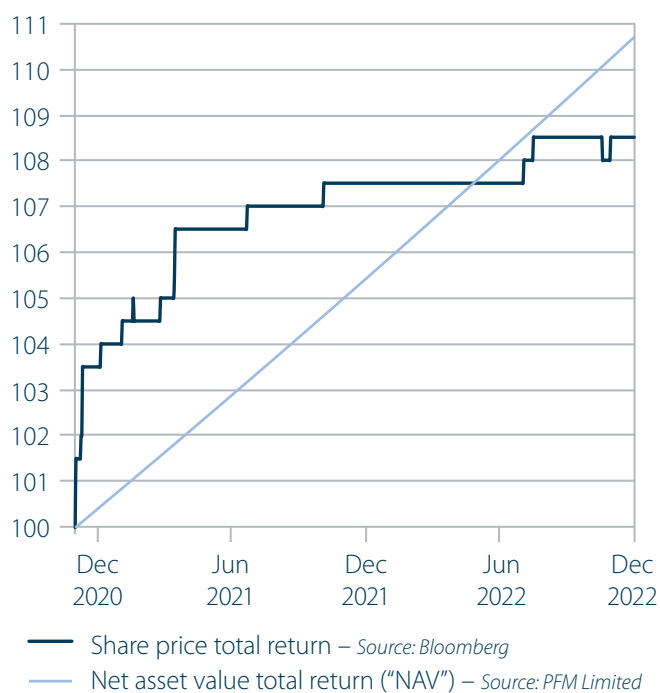
**Ordinary Shares five year performance chart  
(rebased to 100)**



— Share price total return – Source: Bloomberg

— Net asset value total return ("NAV") – Source: PFM Limited

**ZDP Shares performance chart<sup>†</sup> (since issuance)<sup>†</sup>  
(rebased to 100)**



— Share price total return – Source: Bloomberg

— Net asset value total return ("NAV") – Source: PFM Limited

<sup>†</sup>The 2025 ZDP Shares were issued on 30 November 2020 and performance is shown from the date of issue.

# Chairman's Statement

for the year to 31 December 2022



Gillian Nott OBE – Chairman

## Introduction

Following strong performances over recent years, 2022 saw a reversal of fortunes for the portfolio with the Trust experiencing a fall in asset values and a negative investment return to shareholders. The underlying portfolio return, while approximately in line with global equity markets, lagged the global clean energy sector.

In my letter in last year's report, I noted that markets appeared to be relatively sanguine over the prospects for higher inflation. In the event, inflation in the advanced economies reached higher levels than expected, necessitating a steeper path of interest rate increases.

There are several underlying reasons for higher inflation. Energy costs have remained at elevated levels, exacerbated by the war in Ukraine. Supply chains have taken longer to return to normal post Covid-19 lockdowns, and China's retention of lockdown policies over most of 2022 has been a headwind to global supply.

On top of these issues, has been the exceptionally loose monetary policy over recent years, which has created an environment where inflation has been allowed to take root. The risk now is that central banks over-tighten, causing a sharp recession.

Higher interest rates have been a headwind for equity markets, as markets discount future corporate earnings to current values at higher rates. However, the Trust is fortunate that most of its underlying earnings, the revenues earned by portfolio companies, are generated from selling electricity. Electricity prices have been substantially higher in 2022 than in 2021, particularly in the UK and Europe. However, as yet this has not been fully reflected in market valuations.

## Performance

The Trust's performance over 2022 was disappointing. The total assets total return, measuring the return on the portfolio including all income and costs, was a negative 7.3% (2021: positive 19.8%). This was consistent with returns seen in the leading global equity indices. The Trust's gearing, through the fixed return Zero Dividend Preference Shares ("ZDP"), means that returns to Ordinary Shareholders are amplified, with the net asset value ("NAV") total return being negative 12.1% (2021: positive 26.5%). The NAV per ordinary share fell by 15.3% to close the year at 178.44p.

Further, and in common with other investment trusts, the discount at which the shares trade compared to the published NAV increased in the year, closing 2022 at 12.9% (2021: 6.7%). For this reason, the share price total return, based on share price movement plus dividends received, was negative 17.7% (2021: positive 30.7%).

Since the Trust's change of investment policy in October 2020, the S&P Global Clean Energy Index (the "Index") has been used as its performance comparator. However, as has been pointed out before, the Trust's portfolio is substantially different to the composition of the index, with a far greater weighting to renewable energy generators than the index which has higher exposure to technology, renewable equipment manufacturers and utilities. Also, the Trust's portfolio is currently more focussed on the UK and Europe, whereas the Index has a higher weighting to North America. PMGR's performance can, therefore, be expected to be materially different from that of the Index in any given year.

In 2022, the Index returned a positive 6.6% (GBP adjusted), substantially better than the Trust. However, since the policy change on 9 October 2020, shareholders have seen a return, measured on share price plus dividends, of 25.3%, or an average of 10.7% per year. The index has returned 3.7%, or 1.7% per year on average. Despite the difficult year, the Trust's recent performance remains well ahead of its performance comparator.

There were some specific negative performance factors, discussed in more detail in the Investment Manager's report, which require mention here.

Firstly, the Trust's Chinese investments, which performed so well in 2021, were very poor in 2022. This was mainly for macro-economic and political reasons rather than any fundamental issues with the companies themselves. A combination of negative performance and sales of holdings means that the weighting to China is now substantially reduced. Secondly, Finnish hydro and nuclear generator Fortum, a 4.3% weighting at the start of the year, was caught out by the Russian invasion of Ukraine. Fortum had substantial investments in Russia, representing about 20% of its total profits, and its share price fell sharply in response. We sold this investment because of its Russian exposure with a resulting

# Chairman's Statement continued

loss. Thirdly, holdings owning operational North American renewable energy assets were relatively weak. Renewable energy tends to be sold on long term pre-determined prices in North America, with relatively little inflation linkage. Share prices therefore fell in response to higher interest rates.

Offsetting this was a generally positive performance in the UK, although the modest gains look set to lag well behind the growth in underlying earnings driven by high power prices, even considering the new windfall tax, or "energy generation levy". Likewise, aside from Fortum as noted above, there were some good performances among European investments, with the high power price environment being a performance driver.

The US dollar was strong in the year, and the Trust saw a translation gain on dollar holdings as a result.

Despite the difficult year, the prospects for long term performance remain encouraging. For instance, the EU is committed to expanding its renewable energy production, aiming for renewables to represent at least 45% of the overall energy mix by 2030 (from 22.1% in 2020). Likewise, the US Inflation Reduction Act has set clear targets and incentives for renewable investment in the US and should stimulate and reward investment for the foreseeable future.

## Portfolio positioning

The Trust invests in renewable energy companies, and also other sustainable infrastructure companies, being those that are essential to the construction of renewable assets and delivery of renewable energy to customers. These currently include electricity networks, energy storage facilities, and offshore wind turbine installation vessels.

The most significant portfolio change during the year has been the reduction in weighting to China, from 19% to 3%. We are concerned about China's economic and political situation, and China is likely to remain at a low level within the portfolio while this uncertainty persists. The funds released have been reinvested into Europe and the UK to take advantage of the favourable electricity pricing environment.

In this period of high inflation, it is important to be exposed to revenue streams that reflect inflation, such as some government tariff and subsidy schemes. UK renewable assets score well in this regard. As noted above, US renewable companies have less inflation linkage, so are currently held at a relatively low portfolio weighting.

In terms of sectors, the weighting to yield companies (renewable companies which buy operational assets and then hold them for the long term, paying out the majority of cash-flow to investors), has risen as the Manager increases exposure to core UK and European operational assets benefitting from higher power prices and inflation.

Weightings in the waste to energy sector and renewable-focussed utilities sector (i.e. utilities having substantial renewable energy businesses) have fallen on poor relative performance and the Manager focussing on core "pure-play" renewable energy generators.

## Capital structure, Gearing, and ZDP Shares

Following the weaker performance in the year, gearing increased from 39.0% at December 2021 to 48.4% at December 2022 (gearing being calculated as the ZDP share liability over the equity attributable to Ordinary Shareholders). The nature of the ZDP shares means that the gearing is, for the time being, "semi-permanent". The Board will review the Company's capital structure on the maturity of the ZDP shares in 2025.

The share price of the ZDP Shares rose only slightly in the year, from 107.50p at the start of the year to 108.50p by the close of 2022. Their NAV increased at their accrual rate of 5%, to reach 110.71p at the close of the year. As such the ZDP Shares stood at a modest discount to their accrued value. The ZDP Share Cover fell to 2.51x from 2.74x reflecting the fall in assets. Note that "Gearing" and "Zero Dividend Preference Share Cover" are Alternative Performance Measures; please see pages 76 to 80 for definitions and calculations.

No Ordinary or ZDP shares were either issued or redeemed in the year.

## Income and dividends

Net revenue return per Ordinary Share in 2022 was 7.24p, a reduction of 2.6% on the 7.43p recorded in 2021. Underlying revenue generation remained healthy, with dividends paid to Ordinary Shareholders being fully covered by net revenue earnings.

It should be noted that 2021 saw the recovery of a historic tax reclaim of £104,000, or 0.57p per Ordinary share, a receipt not repeated in 2022.

During the year, the Board declared three interim dividends in respect of the 2022 financial year, each of 1.75p per Ordinary Share. The Board has now declared a fourth interim dividend of 1.75p, to bring the total dividend for the year to 7.00p, fully covered by revenue earnings, and in line with dividends paid in respect of 2021. The fourth interim dividend will be paid on 31 March 2023 with the shares to be marked ex-dividend on 9 March 2023.

## Shareholder relations

The Company's AGM will be held on Wednesday, 26 April 2023, at the offices of Stephenson Harwood LLP, 1 Finsbury Circus, London EC2M 7SH, at 12.15p.m. when a presentation will be given. Attending shareholders will have the opportunity to meet the Board and Manager and ask questions.



# Chairman's Statement continued

Shareholders can find additional details regarding your Company, including factsheets and articles on topics relating to both the renewables sector and the Company, on the Company's website, [www.globalrenewablestrust.com](http://www.globalrenewablestrust.com).

## Environmental, Social and Governance ('ESG')

Given the change of investment policy in 2020, ESG measures are an integral part of the Manager's approach to running the portfolio. Further, Premier Miton is a signatory to the Principles for Responsible Investment, an organisation which assists signatory firms to develop and maintain responsible investment practices.

The Trust's portfolio is given additional consideration by Premier Miton's Responsible Investing Oversight Committee, with the aim of ensuring that investee companies adhere to high standards of governance, and that the portfolio's composition is consistent with its investment policy.

By its nature the Trust's portfolio has strong environmental credentials. The portfolio mainly consists of companies generating renewable electricity in the form of wind, solar, biomass, and hydro, together with other technologies which have positive environmental outcomes, such as waste to energy. It also contains companies operating infrastructure such as electricity transmission and battery storage, essential for the delivery and management of renewably-generated power.

The Trust's Manager engages with investee companies to promote good governance and encourage responsible social policies. The Manager always votes at shareholder meetings of investee companies.

I am pleased to report that the one remaining holding not consistent with the renewable energy investment policy adopted in October 2020, the Indian coal-fired power generator OPG Power Ventures, was sold during the year. This completed the portfolio's transition from a generalist infrastructure investor to specialist renewable energy.

## Change of brokership

Following a review of the Company's brokership arrangements, in March the directors appointed finnCap Capital Markets ("finnCap") as the Company's stockbroker, replacing Singer Capital Markets. The Directors are pleased with finnCap's performance since appointment.

The Board and the Manager remain committed to increasing the size of the Trust and have been active in marketing the Trust's shares to potential new investors during the year. I hope that this will help to achieve a lower discount to NAV, and consequent improved share price, during 2023.

## Outlook

The macro-economic environment has been against the Company over the past year, and equity markets have been weak. While developed market interest rates are expected to reach their peaks in 2023, financial markets are likely to remain turbulent as historic monetary stimulus is withdrawn.

China faces a difficult situation as Covid-19 runs through the country. As a result, its government could see its domestic popularity fall, and it may be tempted into ill-advised actions both at home and abroad, which have the potential to destabilise its economy and the region. Further, it is at this stage difficult to envisage a near term resolution to the conflict in Ukraine.

However, despite this troubling backdrop, the underlying earnings performance of the majority of the portfolio's holdings has been strong, and we expect this to continue in the short to medium term. We expect European power prices should remain elevated as the EU withdraws from its dependence on Russian natural gas.

The implementation of European windfall taxes has been a notable headwind over the year. However, with the relevant taxes now published and in operation, the market again hopefully has some clarity. Generally speaking, windfall taxes have been set at a level which, while providing some compensation to governments that can be used to subsidise tariffs, still allow generators to make good returns from the high pricing environment.

Over the long term, the issues of natural gas supply and high commodity prices further reinforce the benefits of moving to renewable energy. In addition to being much more environmentally friendly than traditional power sources, renewables have the advantage of generating electricity closer to where it is consumed, together with the potential for a less volatile pricing environment. The Board believes that the Company's investment policy remains very relevant and is one from which attractive long term investment returns can continue to be made.



**Gillian Nott OBE**

Chairman

14 March 2023



# Investment Manager's Report

for the year to 31 December 2022

## Performance overview

The Premier Miton Global Renewables Trust's ("PMGR") portfolio experienced a fall in value over the year, with a negative total assets total return performance, including all operating and trading costs, of 7.3%. The performance was below that of the Trust's comparator benchmark, but performance does remain comfortably ahead of that index since the investment policy change in October 2020.

Under normal conditions, I would have hoped for another good year for PMGR. The build out of renewable energy continues apace, power prices are strong, and there is a considerable level of political goodwill.

However, higher interest rates, political intervention, additional taxes, the ongoing uncertainty from the war in Ukraine, and economic and political risks in China meant that it turned out to be a rather difficult year. In addition, there have been some stock-specific losses, detailed below.

Higher power prices have been a double-edged sword in that they have driven greater political intervention through windfall taxes. Asymmetric taxes, whereby Governments help themselves to gains in good times without committing to helping companies should the situation reverse, may make for good politics but have caused investor uncertainty and are likely to increase companies' required future returns to compensate for greater political risks.

Reversing the trend of recent years, capital costs of renewable projects were increased by higher logistics and component costs, although these are now showing signs of moderating. Finance costs within the sector are largely fixed, but higher interest rates will contribute to higher financing costs for new projects. Fortunately, the power price environment is such that available investment returns remain healthy.

## Market review

Perhaps the most significant market development during the year has been the unprecedented increase in European power prices. Prices began to increase in mid-2021 on the back of higher prices for carbon emission permits (which make fossil fuel generation more expensive), increasing further over the early part of 2022 on concerns over low European gas storage levels, followed by a surge in both price and volatility on the Russian invasion of Ukraine in February.

Approximately one third of European gas is sourced from Russia, and although trade has not completely stopped, volumes are much reduced. Further, in September, both Nord Stream 1 and 2 pipelines, which connect Germany to Russian supplies through the Baltic Sea, were damaged by explosions. Although those responsible and their motivations are unconfirmed, neither pipeline will be in use for the foreseeable future. Gas is an important component of the European electricity generation

mix, and the resulting higher gas prices have fed directly into higher electricity prices.

With the aim of ending its dependence on Russian fossil fuels, the EU through its "REPowerEU" plan, aims to expand renewable energy generation capacity substantially with streamlined approval processes, diversify its gas supplies including new investments in LNG capacity, and improve energy efficiency. Newer technologies that directly substitute gas usage, such as biomethane, hydrogen, and heat pumps will also be encouraged.

Adding to the European energy shortage has been the decline in output from French nuclear reactors, expected to be over 20% lower in 2022 than in 2021. France went from a position of being an electricity exporter, to being an importer, with a consequent tightening of neighbouring power markets such as Germany and the UK.

Power prices in the US have increased, although to a lesser extent than seen in Europe. In any case, renewable energy companies in the US tend to be less exposed to merchant power pricing than their European counterparts, with renewable power usually being sold on long term contracts at relatively fixed prices. This has made them vulnerable to higher inflation and interest rates. On the plus side, the passing of the Inflation Reduction Act aims to stimulate almost \$370 billion of clean energy investment over the next 10 years, and gives the sector an improved growth outlook.

## Portfolio segmentation and allocation

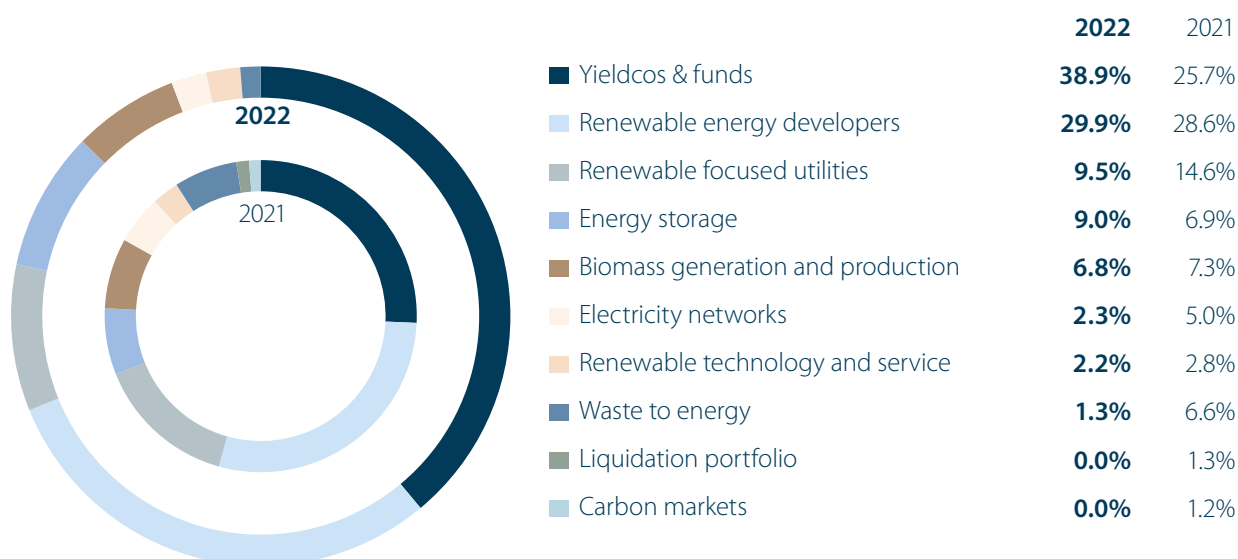
The Trust seeks to offer investors a diversified global exposure to renewable energy and sustainable infrastructure. This differentiates PMGR from many other clean energy investment funds, including exchange-traded funds, which often have a more technology-oriented profile. I believe that focussing on mainly contracted and regulated infrastructure investments offers an attractive risk / reward dynamic for long term investment, offering high visibility of earnings and dividends.

The portfolio has a wide exposure to differing sub-sectors, aiming to invest not just in wind and solar assets, but in the full energy production and delivery value chain, including energy storage, electricity transmission networks and utilities that own high quality renewable energy businesses.

One important distinction we make is to segment renewable energy companies into two broad categories. Renewable energy developers plan, construct, and then own and operate renewable assets. Alternatively, yield companies ("yieldcos"), usually acquire existing renewable assets. Developers typically pay a modest dividend, retaining a high portion of cash flows for reinvestment, sometimes recycling capital through asset sales. Yieldcos by contrast, pay out the majority of cash flows, raising new capital to acquire assets as required.

# Investment Manager's Report continued

## PORTFOLIO SECTOR CLASSIFICATION 2022



Renewable energy developers offer potentially higher returns as they take on development and construction risk. Yieldcos prefer to remove these by acquiring recently constructed projects (or occasionally at the “pre-construction” stage) and then financing and operating them as efficiently as possible. They forego developer profits in return for greater visibility and the benefit of having a higher proportion of their capital invested in productive assets.

It is notable this year that the weighting to small cap companies, which we define as companies with a market capitalisation between £250 million and £2.0 billion, has increased at the expense of the midcaps, being companies capitalised between £2.0 and £10.0 billion. This is a result of the sell down of midcap Chinese holdings, and reinvestment into smaller European and UK companies. At the year end, the simple average market capitalisation of portfolio was £4.9 billion (2021: £5.4 billion).

### Renewable Energy Developers

The performance of the Trust's renewable energy developers was mixed in 2022. Going into the year, two Chinese developers, **China Suntien Green Energy** and **China Longyuan Power** represented a combined 11.5% of the portfolio, both having performed exceptionally well in 2021, with share price increases of 155.5% and 134.2% respectively. I am concerned about both the economic and political situation in China, and therefore cut the Suntien holding back sharply over the year (to 1.8% by the year end) and sold Longyuan in its entirety. Despite both companies performing perfectly well on a fundamental basis, Suntien's share price fell 46.5% and Longyuan 47.6% in 2022 as investors divested from Chinese stocks. With hindsight, it would have been better to have reduced exposure at an earlier stage.

European renewable developers fared better. **RWE** remained at the top end of the portfolio and performed well on excellent financial results through the year, helped by high power prices and

an excellent result in its trading division. Its proposed acquisition of the Con Edison renewables business in the US represents a step change in RWE's international renewables business. RWE's share price increased by 16.4% over the year.

The position in Spanish listed solar developer, **Grenergy**, was increased during the year. Grenergy has made good progress with its development portfolio, and 2023 looks set to be a milestone year for the company as it completes several large solar projects in Spain, Chile and Peru. Grenergy's shares fell by 4.4% in the year.

Despite sometimes excellent financial results, smaller companies were often out of favour. A good example would be Norwegian listed **Bonheur**, better known for its ownership of Fred Olsen Renewables. It has targeted an almost 30% increase in renewable production for 2022 and reported sharply higher financial results through the year. Bonheur has ambitious plans for offshore wind development, and the position was increased steadily over the year. However, despite the strong business fundamentals, its shares fell by 19.2% in the year.

**Northland Power's** shares were relatively flat. This was disappointing given strong financial results and continued progress with their development portfolio.

We sold the holding in Acciona, re-investing in the newly listed **Acciona Energias**, which owns the group's renewable energy activities and was spun out as a separately listed company to improve visibility for the group. Acciona Energias's shares gained 10.9% in 2022.

Further down the portfolio, the position in **Enefit Green** was increased. Enefit develops renewable projects in the Baltic states and recorded strong results during the year. It was rewarded with a share price increase of 8.3%. **7C Solarparken**, which focusses

# Investment Manager's Report continued

on German and Belgian solar, also saw strong figures driven by power pricing. Its shares fell by 1.4% however.

## Yieldcos and Funds

The exposure to yieldcos increased in the year, from 25.7% at December 2021, to 38.9% by the end of 2022. Some new positions were added, taking advantage of share price weakness in the second half of the year. I believe that UK and European yieldcos could benefit from a "higher for longer" power price environment.

**Greencoat UK Wind** remains a key holding for the Trust. Its strategy to sell power at market rates served it well as UK power prices increased. Its published NAV per share has increased over the year, and given the conservative basis on which it had been calculated, the UK windfall tax was absorbed without a significant detriment to the NAV. Greencoat's share price increased by 8.3% in 2022.

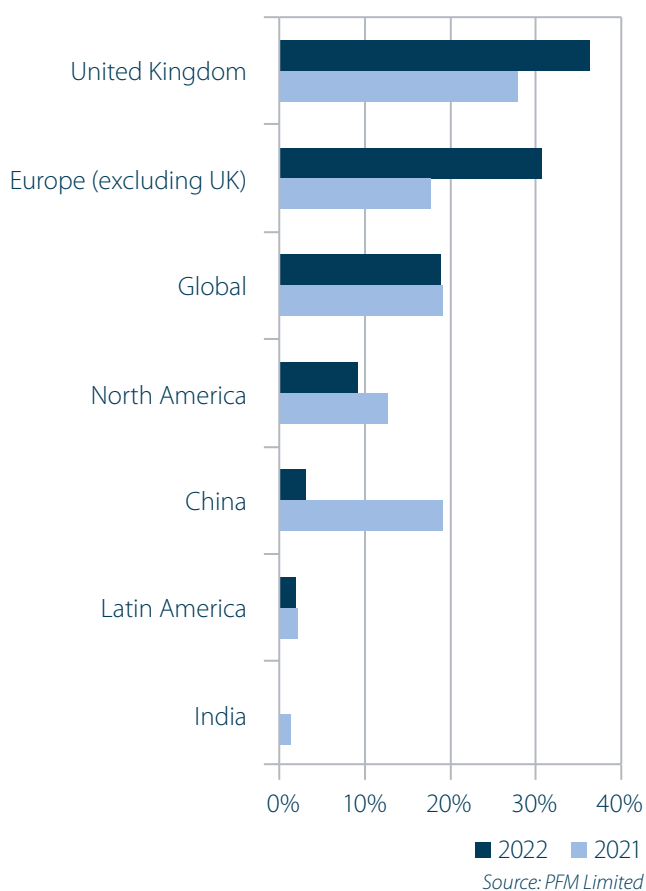
**NextEnergy Solar Fund's** shares gained 9.5% as it made good progress in its diversification strategy, with new battery storage developments acquired during the year. The position in **Foresight Solar** was increased, and its shares rose by 16.2%.

In the second half of the year, the Trust took advantage of share price falls to increase the position in **Octopus Renewable Infrastructure** and start a new holding in **Aquila European Renewables**. Both these companies should benefit from higher power pricing and the completion of assets currently in construction (acquired at the pre-construction stage). They both trade at attractive discounts to their published NAVs.

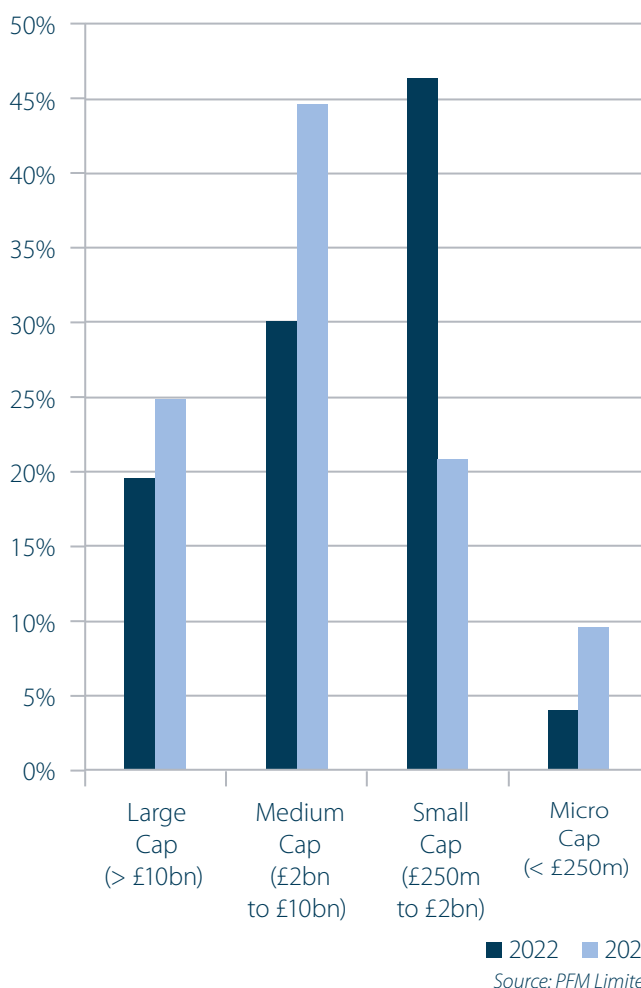
North American positions were less successful than those in the UK. We attribute this to the lack of power price and inflation linkages in their revenues, with power tending to be sold on pre-determined long term prices. In a rising interest rate environment, their shares were marked down accordingly.

**Clearway Energy (A)** shares fell by 10.6%, **Atlantica Sustainable Infrastructure** by 27.6%, and **Transalta Renewables** by 40.0%. Transalta fell sharply in the final quarter as it gave lower cash flow guidance on the back of expected higher tax payments and higher maintenance expenditure. On the plus side, following another year of largely negative performance, North American yieldcos now offer very attractive yields, and operate in what should be a high growth environment.

## PORTFOLIO GEOGRAPHICAL ALLOCATION



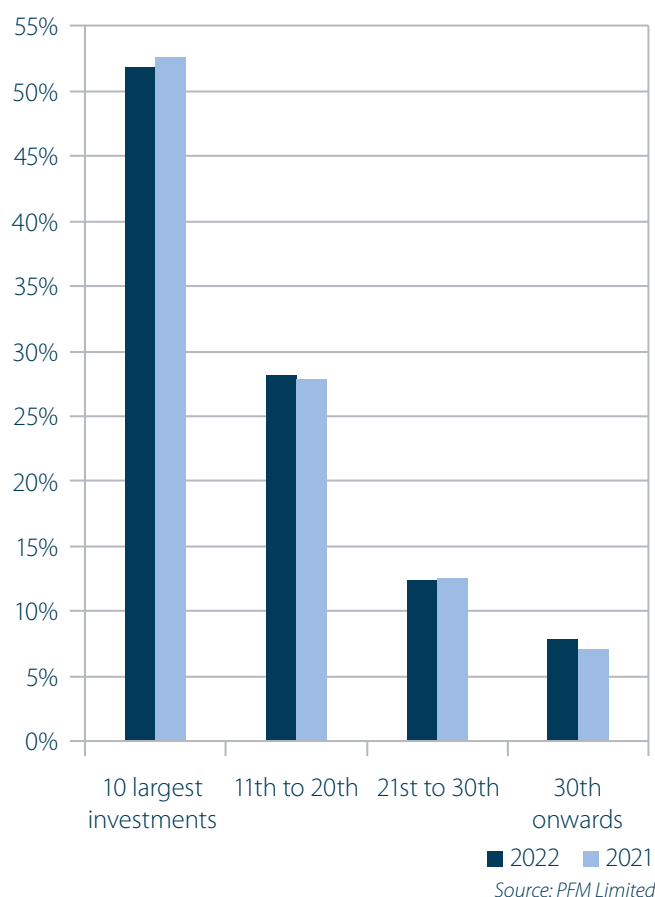
## PORTFOLIO MARKET CAPITALISATION PROFILE





# Investment Manager's Report continued

## PORTFOLIO CONCENTRATION



### Renewable focussed utilities

As mentioned in the Chairman's letter, the holding in **Fortum** was sold following the Russian invasion of Ukraine. Fortum had not only some direct Russian power generation investments, but also a far larger liability through its ownership of German power and gas business Uniper. With Uniper's upstream gas purchases from Russia severely curtailed, they were forced to buy more expensive gas elsewhere to fulfil sales contracts. The Fortum stake was sold over the second quarter, at an average price approximately 40% below the price at which it closed 2021.

The other major disappointment within this segment was **Algonquin Power & Utilities**, whose shares fell by 51.5% over the year. The fall took place almost entirely in the final quarter in response to a poor third quarter financial result. The company has now released a new strategy based on internally funded growth, with a rebased dividend. We believe that the company's business of North American renewable energy and smaller utilities is fundamentally sound, and that there is scope for the shares to recover well in 2023.

The two other constituents of this category, **SSE** and **Iberdrola** both performed well, their shares increasing over the year by 3.8% and 5.0% respectively. Both have sizable and growing renewable businesses.

### Other segments

**Drax Group**, Biomass generation and production sector has remained at the top end of the portfolio and delivered excellent financial results. 2023 should see a decision from the UK Government on whether to approve the company's carbon capture plans. Drax's shares gained 16.2% in 2022.

Also in the UK, the portfolio's exposure to energy storage companies increased. Batteries are a key component in grid balancing and managing short term power volatility. Following additional investment and a 24.1% increase in share price, **Harmony Energy Income Trust** became the Trust's largest battery storage investment. Likewise, **Gresham House Energy Storage Fund** also performed well, its share price recording an increase of 24.7%.

Less successful was the holding in waste to energy company **China Everbright**, which lost value in line with the other Chinese positions. The position was cut back sharply in the year to reduce exposure to China.

### Currency and hedging

The Trust made currency hedging losses of £0.7 million (2021: gains of £0.4m) over the year, offsetting equivalent currency gains made on investments held in those currencies. Currency hedge contracts are undertaken to mitigate against currency volatility and to offset potential losses from adverse currency movements.

### Outlook

Following a strong period of returns, it is disappointing to record an investment loss in 2022. However, this was concentrated in a limited number of positions, which experienced outsized losses. The majority of other holdings performed relatively well, although share price gains were typically some way behind earnings growth.

While there is much uncertainty in the global economy, and political risk remains an ongoing issue, 2023 should see a peak in inflation and therefore also in interest rates. As such, some of the negative macro headwinds should, I hope, abate.

While recent weeks have seen a welcome moderation in the high fuel commodity price environment, those driving the electricity price, such as natural gas and carbon permits, remain at elevated levels in comparison to recent history. The phase out of both coal and older nuclear capacity in coming years should keep the margin of supply over demand relatively tight in the European electricity market. I therefore believe that European electricity prices could stay higher for longer than anticipated by the market, sustaining a positive backdrop for the portfolio.

### James Smith

Premier Fund Managers Limited

14 March 2023

# Investment Portfolio

at 31 December 2022

Company	Activity	Country of operation	Value £000	% total investments	Ranking 2022	Ranking 2021
Drax Group	Biomass generation and production	United Kingdom	3,295	6.8	1	3
Greencoat UK Wind	Yieldcos & funds	United Kingdom	3,059	6.4	2	6
NextEnergy Solar Fund	Yieldcos & funds	United Kingdom	2,969	6.2	3	7
RWE	Renewable energy developers	Europe (ex. UK)	2,952	6.1	4	4
Octopus Renewable Infrastructure	Yieldcos & funds	Europe (ex. UK)	2,550	5.3	5	–
Aquila European Renewables	Yieldcos & funds	Europe (ex. UK)	2,273	4.7	6	–
Atlantica Sustainable Infrastructure	Yieldcos & funds	Global	2,150	4.5	7	10
Iberdrola	Renewable focused utilities	Global	1,939	4.0	8	19
Harmony Energy Income Trust (incl. 'C' Shares)	Energy storage	United Kingdom	1,899	3.9	9	21
Clearway Energy 'A'	Yieldcos & funds	North America	1,865	3.9	10	13
Greenergy Renovables	Renewable energy developers	Global	1,845	3.8	11	16
Foresight Solar Fund	Yieldcos & funds	United Kingdom	1,820	3.8	12	18
Gresham House Energy Storage Fund	Energy storage	United Kingdom	1,777	3.7	13	12
Corp. Acciona Energias Renovables	Renewable energy developers	Europe (ex. UK)	1,603	3.3	14	–
SSE	Renewable focused utilities	United Kingdom	1,540	3.2	15	15
Bonheur	Renewable energy developers	Europe (ex. UK)	1,211	2.5	16	41
Northland Power	Renewable energy developers	Global	1,135	2.4	17	20
National Grid	Electricity networks	Global	1,097	2.3	18	5
Algonquin Power and Utilities	Renewable focused utilities	North America	1,080	2.2	19	9
China Suntien Green Energy	Renewable energy developers	China	863	1.8	20	1
TransAlta Renewables	Yieldcos & funds	North America	742	1.5	21	17
Gore Street Energy Storage Fund	Energy storage	United Kingdom	666	1.4	22	24
China Everbright Environment	Waste to energy	China	632	1.3	23	2
Greencoat Renewables	Yieldcos & funds	Europe (ex. UK)	604	1.3	24	27
7C Solarparken	Renewable energy developers	Europe (ex. UK)	596	1.2	25	30
US Solar Fund	Yieldcos & funds	North America	571	1.2	26	–
Enefit Green	Renewable energy developers	Europe (ex. UK)	562	1.2	27	35
MPC Energy Solutions	Renewable energy developers	Latin America	539	1.1	28	23
Cloudberry Clean Energy	Renewable energy developers	Europe (ex. UK)	523	1.1	29	–
Opdenergy	Renewable energy developers	Europe (ex. UK)	504	1.0	30	–
Omega Energia <sup>1</sup>	Renewable energy developers	Latin America	377	0.8	31	32
Eneti	Renewable technology and service	Global	292	0.6	32	29
Atrato Onsite Energy	Renewable energy developers	United Kingdom	287	0.6	33	39
Fusion Fuel Green (incl. warrants)	Renewable technology and service	Europe (ex. UK)	285	0.6	34	33
Orsted	Renewable energy developers	Europe (ex. UK)	264	0.5	35	–
Seaway 7	Renewable technology and service	Global	258	0.5	36	31
Boralex	Renewable energy developers	Global	245	0.5	37	–
Cadeler	Renewable technology and service	Europe (ex. UK)	227	0.5	38	–
Solaria Energía y Medio Ambiente	Renewable energy developers	Europe (ex. UK)	213	0.5	39	38
GreenVolt	Renewable energy developers	Europe (ex. UK)	160	0.3	40	–
Innergex Renewable	Renewable energy developers	North America	148	0.3	41	44
Tion Renewables <sup>2</sup>	Renewable energy developers	Europe (ex. UK)	145	0.3	42	42
Bluefield Solar Income Fund	Yieldcos & funds	United Kingdom	136	0.3	43	–
Scatec	Renewable energy developers	Global	113	0.2	44	40
Clearvise	Renewable energy developers	Europe (ex. UK)	106	0.2	45	–
			<b>48,117</b>	<b>99.9</b>		
Unquoteds	Activity	Country	Value £000	% total investments		
PMGR Securities 2025 PLC	ZDP subsidiary	United Kingdom	50	0.1		
Total investments			<b>48,167</b>	<b>100.0%</b>		

<sup>1</sup> Omega Energia (formerly Omega Geracao).

<sup>2</sup> Tion Renewables (formerly Pacifico Renewables).

# Review of Top Ten Holdings

at 31 December 2022

## 1. Drax Group

**Market cap: £2.8 billion**

**[www.drax.com](http://www.drax.com)**

UK listed Drax Group operates the UK's largest renewable energy facility, the Drax power station in Yorkshire, which it converted from coal to biomass pellets manufactured from sustainable wood waste. The facility benefits from UK subsidy schemes lasting through to 2027. Drax is also one of the world's largest producers of biomass pellets from its facilities in the US and Canada. Future growth options include developing a carbon capture plant at the Drax power station, expanding their upstream pellet business, adding additional capacity at their Cruachan pump storage hydro plant in Scotland, and developing new biomass power stations in the US. Drax recorded strong earnings for the first half of 2022, with adjusted earnings per share increasing 37.0%. The company has locked in high power prices for a large portion of their output for the next two years, ensuring earnings should remain healthy. Drax's shares rose by 16.2% in 2022.

## 2. Greencoat UK Wind

**Market cap: £3.5 billion**

**[www.greencoat-ukwind.com](http://www.greencoat-ukwind.com)**

Greencoat UK Wind ("UKW") is a UK listed renewable energy investment company, owning both on and offshore wind farms. It operates as a yield company, acquiring completed assets rather than taking development risk. UKW's strategy is to sell power predominantly in the merchant markets rather than hedging output through commercial forward sales contracts or financial derivatives. Higher power prices meant that UKW's dividend was 3.2x covered by available cash generation in 2022, as compared to 1.9x in 2021. Over the course of 2022, UKW's published NAV increased by 25.2% to 167.10p per share. The UK energy generator levy or "windfall tax", applying to revenues from 2023, was incorporated into the December 2022 NAV. However, UKW's NAV had assumed a substantial discount between forward electricity prices and those expected to be achieved by the company, and the levy was absorbed within this discount. In 2022, UKW's share price increased by 8.3% to 152.10p, standing at a discount to the December 2022 asset value.

## 3. NextEnergy Solar Fund

**Market cap: £655 million**

**[www.nextenergysolarfund.com](http://www.nextenergysolarfund.com)**

NextEnergy ("NESF") is a UK listed renewable energy investment company, owning large-scale UK solar assets. NESF has diversified from solar over recent years, and 2022 saw the acquisition, with a partner, of a large (250 MW) battery storage development project, expected to be operational in 2025. NESF's solar business has continued to perform well, with the company's most recent projects being awarded 15-year index linked contracts in the UK government's August 2022 Contracts for Difference auction. NESF's NAV gained 15.8% over 2022 reaching 120.90p. In common with UKW above, the December 2022 NAV calculation incorporated the UK's new windfall tax. Also in common with UKW, NESF's share price failed to keep pace with the increasing NAV, gaining 9.6% over the year to reach 110.10p, and standing at a discount to the NAV at the year end therefore.

## 4. RWE

**Market cap: £24.9 billion**

**[www.rwe.com](http://www.rwe.com)**

RWE is a German listed multi-national energy company, which is transitioning from fossil fuels to renewable energy. It has expanded rapidly in renewables over recent years and has set out a capital programme to spend Euro 50 billion on green growth to 2030. RWE is in the process of transitioning away from fossil fuels, having closed 12 GW of coal-fired power stations since 2012. In 2022 RWE substantially expanded its US renewables business through the acquisition of Co Edison Clean Energy ("CEB"). CEB's primarily solar based portfolio complements well RWE's wind focussed US business. Financial performance was strong in 2022, with adjusted earnings per share over the 9 months to September, increasing by 105.9%, and RWE's share price gaining 16.4% over the year.

## 5. Octopus Renewables Infrastructure Trust

**Market cap: £568 million**

**[www.octopusrenewalesinfrastructure.com](http://www.octopusrenewalesinfrastructure.com)**

Octopus Renewables Infrastructure ("ORIT"), a new holding acquired during the year, is a UK listed investment company with assets across Europe including the UK, France, Poland, Finland, Ireland, and Sweden. Its investments are approximately equally split between solar and wind. ORIT's NAV per share increased by 6.9% to 109.40p over 2022. However, despite the higher asset value, its share price fell by 9.2% and trades at a discount to the NAV.



# Review of Top Ten Holdings continued

at 31 December 2022

## 6. Aquila European Renewables Income Fund

**Market cap: £333 million**

**[www.aquila-european-renewables.com](http://www.aquila-european-renewables.com)**

Like ORIT, Aquila European Renewables ("AERI") is another new UK listed yieldco holding, having been acquired in the year. Unlike ORIT, AERI is not present in the UK, with its assets located in Spain, Portugal, Norway, Denmark, Finland, and Greece. Its investments are approximately equally split between wind and solar, with a small amount of hydro capacity. AERI's NAV per share increased by 7.8% over 2022 to reach Euro 110.64 cents. However, and in common with ORIT, AERI's shares moved in the opposite direction, falling by 9.6% during the year to close 2022 at a large discount to their NAV.

## 7. Atlantica Sustainable Infrastructure

**Market cap: £2.5 billion**

**[www.atlantica.com](http://www.atlantica.com)**

Atlantica Yield is listed in the US and operates as a yield company, with 70% (by cashflow) of assets being renewable energy and the balance being natural gas generation, electricity transmission, and water treatment plants. Atlantica has a commitment to maintain at least 80% of gross earnings from low-carbon assets, and it sits in the first percentile of the Sustainalytics ESG rankings. Their assets are located in the US, Europe, South Africa and Latin America, have a weighted average remaining contract length of 15 years, with 90% of revenues denominated in US dollars. Atlantica had another active year, including the acquisition of a large solar plant in Chile, to which it intends to add a battery storage facility. Despite reporting interim earnings consistent with the prior year, Atlantica's share price fell by 27.6% in 2022 as it reacted to higher US interest rates.

## 8. Iberdrola

**Market cap: £61.6 billion**

**[www.iberdrola.com](http://www.iberdrola.com)**

Iberdrola is a large Spain listed international utility and renewable energy business. It operates in the UK through its Scottish Power subsidiary, in the US through Avangrid, in Brazil through Neoenergia, plus operations in Mexico and other European countries. Its renewables business is one of the world's largest, with Iberdrola targeting renewable energy investment of Euro 17 billion over the three years of 2023 to 2025, almost half of which will be in offshore wind. Installed renewable capacity is targeted to increase from 40 GW at the end of 2022, to 52 GW by the end of 2025. Results have been strong in 2022, with nine-month earnings per share to September increasing by 29.2%, and the shares gaining 5.0% over the year.

## 9. Harmony Energy Income Trust

**Market cap: £296 million**

**[www.heitp.co.uk](http://www.heitp.co.uk)**

Harmony Energy Income Trust ("HEIT") is a UK listed battery storage investor which undertook a £210m share listing in November 2021. HEIT's sponsor and major investor, Harmony Energy, is a leading UK battery storage developer and is responsible for the management of HEIT. Its first project, a 98 MW, 2-hour duration project, was completed in November 2022, and has the distinction of being Europe's largest battery storage project. A further four sites are expected to be completed over the course of 2023. In October 2022, Harmony issued further new shares for cash proceeds of £15 million, enabling it to acquire a further three "ready to build" projects from its sponsor. HEIT's shares increased by 24.1% in 2022.

## 10. Clearway Energy

**Market cap: £3.0 billion**

**[www.investor.clearwayenergy.com](http://www.investor.clearwayenergy.com)**

Clearway Energy is a US listed yield company, operating solar and wind generation facilities together with gas generation plants which operate under system reliability contracts to provide peaking / standby capacity. Clearway also owned a thermal energy business providing steam and hot water to commercial and public sector clients. The thermal business was sold in 2021 at an excellent price, which has allowed the company to reinvest proceeds in expanding their renewable energy business, with several new wind, solar, and storage assets acquired during 2022. Financial results reported during 2022 have been good. However, US renewable companies were weak on higher interest rates, with the company's A shares held by PMGR falling by 10.6%.

## Directors



### **Gillian Nott OBE – Chairman**

Gillian Nott worked for 20 years in the energy sector including 13 years with BP. She went on to be CEO of ProShare, deputy chairman of the Association of Investment Companies and a non-executive director of the Financial Services Authority. She has also sat on the board of a number of investment and venture capital trusts. She is currently Chairman of Gresham House Renewable Energy VCT 1 PLC and the US Solar Fund plc. Mrs Nott was appointed as a non-executive director of the Company on 1 March 2016 and was appointed Chairman on 27 July 2018.



### **Melville Trimble – Chairman of the Audit Committee**

Melville Trimble is a qualified accountant and a member of the Institute of Chartered Accountants in England and Wales, a fellow of the Chartered Institute of Securities and Investment and has spent much of his career as a corporate financier specialising in the financial sector. Through roles at Cazenove, Merrill Lynch and PwC, Mr Trimble was principal corporate adviser to more than 90 investment companies. He has been a director of three investment companies and also served on the board of the Association of Investment Companies for nine years, including as deputy chairman for three years, as chair of the audit committee for eight years and as a member of their technical committee. Mr Trimble was appointed non-executive director of the Company on 25 April 2019.



### **Victoria Muir – Chairman of the Remuneration Committee**

Victoria Muir is a Chartered Director and a Fellow of the Institute of Directors. She is a distribution specialist and has worked in financial services, with a focus on asset management, for over 25 years. She was Global Head of Investor Relations at BlueBay Asset Management and Head of Client Account Management at Royal London Asset Management, where she held four executive directorships. She is a non-executive director of Schroder Income Growth Fund plc and chairman at Invesco Select Trust plc, as well as holding chair or non-executive director roles on other limited companies in the financial services sector. She was appointed non-executive director of the Company on 14 March 2018.

## Investment Manager

### **James Smith**

James joined Premier Miton in June 2012, after spending fourteen years at Utilico, specialising in the global utilities, transportation infrastructure, and renewable energy sectors. During this time he gained extensive experience in both developed and emerging markets. He was previously a director at Renewable Energy Holdings PLC and Indian Energy Ltd. James is a Chartered Accountant and Barrister. James is supported by Premier Miton's Global Equity team and the firm's head of Responsible Investing.

## Head of Investment Trusts

### **Claire Long**

Claire joined Premier Miton in December 2008, and until the end of 2019 was co-manager of the Trust. Previously she ran a UK smaller companies fund at Rothschild Asset Management after spending four years at Foreign and Colonial where she covered a range of markets, including the UK and Japan. In January 2020 she assumed the role of Head of Investment Trusts at Premier Miton, where she oversees the group's closed end funds business. She is an Associate of the CFA UK.

# Strategic Report

for the year ended 31 December 2022

The Directors submit to the shareholders their Strategic Report, Directors' Report and the Audited Financial Statements of the Company for the year ended 31 December 2022.

## Business Model and Strategy

### Business and tax status

The Company is an investment trust and its principal activity is portfolio investment. In the opinion of the Directors, the Company has conducted its affairs during the period under review, and subsequently, so as to maintain its status as an investment trust (see page 18 for tax description). This allows the Company to obtain an exemption from paying taxes on the profits made from the sale of its investments. Investment trusts offer a number of other advantages for investors, including access to investment opportunities that might not be open to private investors and to professional stock selection skills at low cost.

The Company is an investment company as defined in Section 833 of the Companies Act 2006. The Company is not a close company for taxation purposes.

### High income

The full year dividend for 2022 totalled 7.0p (7.0p for 2021) representing a yield of 4.50% on the year end share price.

The chart on page 3 shows the annual dividends paid by the Company over the past five years.

### Long term growth in capital value

The asset value of the Company's portfolio will be heavily influenced by performance of the renewable energy sector, other sustainable infrastructure sectors and global stock markets.

At a General Meeting held on 9 October 2020, an ordinary resolution was passed to amend and restate the Company's investment objective and policy to read as follows:

### Investment objective

The investment objectives of the Company are to achieve a high income from, and to realise long term growth in the capital value of its portfolio. The Company seeks to achieve these objectives by investing principally in equity and equity related securities of companies operating primarily in the renewable energy sector, as well as other sustainable infrastructure investments.

### Investment policy

The investment policy of the Company is that, in normal market conditions, the portfolio of the Company should consist primarily of a diversified portfolio of equity and equity-related securities of companies operating in the renewable energy sector, as well as other sustainable infrastructure investments. There are no restrictions on the proportion of the portfolio of the Company which may be invested in any one geographical area or asset class. The Company may also invest in investment companies provided they themselves invest in renewable energy and other sustainable infrastructure, subject to the investment restrictions below.

There are no borrowings under financial instruments or the equivalent of financial instruments but investors should be aware of the gearing effect of ZDP shares within the Group's capital structure. The Company's policy is not to employ any gearing through long term bank borrowing. The Group can, however, employ gearing through the issue of ZDP shares by PMGR Securities 2025 PLC. The Group is not subject to a maximum level of such gearing save that the number of ZDP shares that may be issued is limited by the applicable cover test in respect of those ZDP shares.

The Company will not:

- (a) invest more than 15 per cent. of the Company's assets, at the time of acquisition, in securities issued by any investee company;
- (b) invest more than 10 per cent., in aggregate, of the value of its gross assets at the time the investment is made in other listed closed-ended funds, provided that this restriction does not apply to investments in any such closed-ended funds which themselves have stated investment policies to invest no more than 15 per cent. of their total assets in other listed closed-ended funds;



# Strategic Report continued

- (c) invest more than 15 per cent. of its gross assets in listed closed-ended funds, except that this restriction will not apply to listed closed-ended funds that invest predominantly in physical assets;
- (d) invest in open ended collective investment schemes, except that this restriction will not apply to exchange traded funds, open ended money market funds or other funds investing exclusively in shortdated fixed income securities;
- (e) invest more than 15 per cent. of its gross assets in unquoted securities;
- (f) expose more than 20 per cent. of its gross assets to the creditworthiness or solvency of any one counterparty (including the counterparty's subsidiaries or affiliates);
- (g) invest in physical commodities;
- (h) cross-finance between the businesses forming part of its investment portfolio including provision of undertakings or security for borrowings by such businesses for the benefit of another;
- (i) operate common treasury functions as between the Company and an investee company; or
- (j) conduct any significant trading activity.

In addition to the above restriction on investment in a single company the Board seeks to achieve a spread of risk in the portfolio through monitoring the country and sector weightings of the portfolio.

There will be a minimum of twenty stocks in the portfolio.

The Directors meet with the Investment Manager regularly to discuss the portfolio. The Investment Manager prepares monthly investment updates for the Directors' consideration, together with other ad-hoc reports as requested by the Board.

## **Viability statement**

The Directors have assessed the viability of the Company over a three year period, taking into account the Company's position at 31 December 2022.

A period of three years has been chosen for the purposes of the assessment of viability as the Board believes that this reflects a suitable time horizon for reviewing the Company's circumstances and strategy, taking into account the investment policy, liquidity of investments, potential impact of economic cycles, nature of operating costs, dividends and the availability of funding. In its assessment of the viability of the Company, the Directors have carried out a robust assessment of the Company's emerging and principal risks detailed on pages 18 to 20 and in particular:

- (i) The potential for a fall in value of the investment portfolio.
- (ii) Potential changes in either the Company's investment or operating environment.
- (iii) The Company's ability to represent an attractive investment, including the potential for Company's shares to trade at a level close to Net Asset Value, to pay an attractive level of dividend, and maintain acceptable levels of Gearing and Zero Dividend Preference Share Cover.
- (iv) The operational resilience of service providers and their ability to fulfil their obligations to the Company as many shift from the working from home model whilst lockdown measures applied, to more hybrid operations.

# Strategic Report continued

- (v) The Board is conscious that there will be a ZDP maturity and a continuation vote in 2025. Therefore, testing calculations performed by the Fund Manager illustrating the effects on Gearing and Zero Dividend Preference Share Cover given specified reductions in value of the portfolio included:
- the Company's ability to repay the final capital entitlement of the ZDP Shares on 28 November 2025;
  - the potential for a fall in the value of the investment portfolio; and
  - the impact on the Company should the shareholders vote not to pass the continuation vote scheduled to take place at the 2025 annual general meeting of the Company, which would oblige the Directors to follow the provisions in the Articles of Association and put forward proposals to the effect that the Company would be wound up, liquidated, reorganised, unitised or to find some other suitable solution that would be satisfactory to the shareholders.

The Directors also considered the Company's income and expenditure projections and took into account the fact that the Company's investments principally comprise liquid securities listed on recognised stock exchanges.

Based on the assessment undertaken as outlined above, the Directors confirm that they have a reasonable expectation that the Company will be able to continue in operation and to meet its liabilities as they fall due over the three year period to December 2025.

## Return per share – basic

Total return per Ordinary Share is based on the net total loss on ordinary activities after taxation of £4,589,000 (31 December 2021: net total gain £8,216,000).

These calculations are based on the weighted average number of 18,238,480 Ordinary Shares in issue during the year to 31 December 2022 (2021: 18,202,903).

The return per Ordinary Share can be further analysed between revenue and capital as below:

	Year ended 31 December 2022 Pence per Ordinary Share	Year ended 31 December 2022 £000	Year ended 31 December 2021 Pence per Ordinary Share	Year ended 31 December 2021 £000
Net revenue return	7.29p	1,330	7.43p	1,352
Net capital (loss)/gain	(32.45p)	(5,919)	37.71p	6,864
Net total (loss)/gain	(25.16p)	(4,589)	45.14p	8,216

The basic returns per share are equivalent to the fully diluted returns per share. Full details can be found in note 18 on page 68.

## Dividends

The following dividends were paid during the year:

	Payment date	Dividend pence (net per share)
<b>Fourth Interim</b> for the year ended 31 December 2021	31 March 2022	1.75p
<b>First Interim</b> for the year ended 31 December 2022	30 June 2022	1.75p
<b>Second Interim</b> for the year ended 31 December 2022	30 September 2022	1.75p
<b>Third Interim</b> for the year ended 31 December 2022	31 December 2022	1.75p

# Strategic Report continued

Subsequent to the year end but in respect of the year ended 31 December 2022 the Directors have declared a fourth interim dividend of 1.75p, payable on 31 March 2023 to members on the register at the close of business on 10 March 2023. The shares will be marked ex-dividend on 9 March 2023. This dividend relates to the year ended 31 December 2022 but in accordance with International Financial Reporting Standards, it is recognised in the period in which it is paid. Further dividend details can be found in note 7 on page 63.

## **Net asset value**

The net asset value per Ordinary Share, including revenue reserve, at 31 December 2022 was 178.44p based on net assets as at 31 December 2022 of £32,545,000 divided by number of Ordinary Shares in issue of 18,238,480 (31 December 2021: 210.60p). The net asset value of a ZDP Share at 31 December 2022 was 110.71p based on the accrued capital entitlement as at 31 December 2022 of £15,740,000 divided by the number of ZDP shares in issue of 14,217,339.

## **Alternative Investment Fund Management Directive ("AIFMD")**

The Company appointed Premier Portfolio Managers Limited ("PPM") to act as its Alternative Investment Fund Manager ("AIFM") pursuant to an Alternative Investment Fund Management Agreement entered into by the Company and the AIFM on 20 January 2015 (the "AIFM Agreement") as amended and restated from time to time.

The Company and PPM also entered into a depositary agreement with Northern Trust Investor Services Limited ("NTISL") pursuant to which NTISL was appointed as the Company's depositary for the purposes of AIFMD. Details of the change in depositary can be found on page 26.

In accordance with AIFMD regulations the Company has published a pre investment disclosure document which can be found on the Company's area on Premier Miton's website at: [www.globalrenewablestrust.com](http://www.globalrenewablestrust.com).

## **PRIIPs KIDs**

The Company has published a Key Information Document ("KID") in compliance with the Packaged Retail and Insurance-based Investment Products ("PRIIPs") Regulation. KIDs for the Ordinary and the ZDP Shares can be found on the Company's area on Premier Miton's website at: [www.globalrenewablestrust.com](http://www.globalrenewablestrust.com).

The Company is not responsible for the information contained in the KID. The process for calculating the costs, and narrative information on performance are prescribed by regulation.

## **Foreign Account Tax Compliance Act ("FATCA")**

The Company has registered with the US Internal Revenue Service as a Reporting Financial Institution under the FATCA legislation.

## **Investment trust tax status**

The Company has been approved by HM Revenue & Customs ("HMRC") as an investment trust in accordance with Sections 1158 and 1159 of The Corporation Tax Act 2010, subject to the Company continuing to meet the eligibility conditions. In the opinion of the Directors, the Company has conducted its affairs during the period under review, and subsequently, so as to maintain its status as an investment trust and satisfy the conditions for continued approval.

## **Principal and emerging risks associated with the Company**

### *Structure of the Group and gearing*

The Board, in conjunction with the Audit Committee, undertakes a robust assessment and review of the principal risks facing the Company, together with a review of any new and emerging risks which may have arisen during the year. These risks are formalised within the Company's risk register. Information regarding the Company's internal control and risk management procedures can be found in the Corporate Governance Statement on page 36.

The principal financial risks and the Company's policies for managing these risks, and the policy and practice with regard to the portfolio are summarised in note 21 to the financial statements.

# Strategic Report continued

Listed below is a summary of the principal and emerging risks identified by the Board and actions taken to mitigate those risks.

The Ordinary Shares issued by the Company and the ZDP Shares issued by its subsidiary, PMGR Securities 2025 PLC have different characteristics. Returns generated by the Company's underlying portfolio are apportioned in accordance with the respective entitlements of each class of share. As the Ordinary Shares and ZDP Shares have different rights both during the life of the Company and on a winding-up, shareholders and prospective investors are advised to give careful consideration to their choice of class or classes of share (see page 1 for details of these entitlements).

The Company employs no gearing in the form of bank loans or bonds. The Ordinary Shares are geared by the prior ranking entitlement ZDP Shares issued by its subsidiary.

## *Dividend levels*

Dividends paid on the Company's Ordinary Shares principally rely on receipt of dividends and interest payments from the securities in which the Company invests. The Board monitors the income of the Company and reviews an income forecast for the current financial year at its regular quarterly Board meetings.

## *Currency risk*

The Company invests in overseas securities and its assets are therefore subject to currency exchange rate fluctuations. The Company may hedge against foreign currency movements affecting the value of the investment portfolio where adverse movements are anticipated but otherwise takes account of this risk when making investment decisions.

## *Liquidity risk*

The Company invests principally in liquid securities listed on recognised stock exchanges. The Company may invest up to 15% of its gross assets in unquoted securities. These securities may have limited liquidity and be difficult to realise. The investment limits set are monitored at each Board meeting. The Company held no unquoted securities in the portfolio during the year.

## *Market price risk*

Since the Company invests in financial instruments, market price risk is inherent in these investments. In order to minimise this risk, a detailed analysis of the risk/reward relationship of each investee company is undertaken by the Investment Manager. The Board regularly reviews reports on the portfolio produced by the Investment Manager. The Investment Manager has the ability to utilise financial derivatives for efficient portfolio management purposes.

## *Discount volatility*

Being a closed-ended company, the Company's shares may trade at a premium or discount to their net asset value. The magnitude of this premium or discount fluctuates daily and can vary significantly. Thus, for a given period of time, it is possible that the market price could decrease despite an increase in the net asset value of the Company's shares. The Directors review the discount levels regularly. The Investment Manager actively communicates with the Company's major shareholders and potential new investors, with the aim of managing discount levels.

## *Operational*

Like most other investment trust companies, the Company has no employees. The Company therefore relies upon the services provided by third parties and is dependent on the control systems of the Investment Manager and the Company's other service providers. The security, for example, of the Company's assets, dealing procedures, accounting records and maintenance of regulatory and legal requirements, depend on the effective operation of these systems. The Board reviews, at least annually, the performance of all the Company's third party service providers, as well as reviewing service providers' anti-bribery and corruption policies to address the provision of the Bribery Act 2010. The Board and Audit Committee regularly review statements on internal controls and procedures provided by Premier Fund Managers Ltd and other third parties and also subject the books and records of the Company to an annual external audit.

## *Accounting, legal and regulatory*

In order to continue to qualify as an investment trust, the Company must comply with Section 1158 of the Corporation Tax Act 2010. A breach of Section 1158 could lead to the Company being subject to capital gains tax on gains within the Company's portfolio. Section 1158 qualification criteria are continually monitored by the Investment Manager and the results reported to the Board at its regular meetings. The Company must also comply with the Companies Act, the Listing Rules and the Market Abuse Regulation. The Board relies on the services of the administrator, Premier Portfolio Managers Limited and its professional advisers to ensure compliance with the Companies Act and the Listing Rules. The Company is also required to comply with the AIFMD and has appointed Premier Portfolio Managers Limited ("PPM") as its Alternative Investment Fund Manager and PPM is responsible for ensuring compliance with the AIFMD (see page 18).



# Strategic Report continued

## *Political and regulatory risk*

The Company invests in regulated businesses which may be subject to political or regulatory interference, and may be required to set pricing levels, or take investment decisions, for political rather than commercial reasons. In some less developed economies, including those in which the Company invests, there are increased political and economic risks as compared to more developed economies. These risks include the possibility of various forms of punitive government intervention together with reduced levels of regulation, higher brokerage commissions, less reliable settlement and custody practices, higher market volatility and less reliable financial reporting. Such factors are out of the control of the Board and the Investment Manager, and the Board monitors the performance of its investments at each Board meeting.

## *Geopolitical risk*

The Company operates across global equity markets, and may be subject to adverse effects resulting from war, political disputes, sanctions, and banking restrictions. These may lead to adverse movements in commodity prices, confiscation of assets, and restrictions on the movement of capital. Most of these risks are outside the control of the Board, but care is taken to avoid investment in countries where such risks are more likely to occur.

## *Commodity price risk*

The Company invests in businesses that have material exposures to energy commodity markets, which can be volatile and difficult to predict. The most significant exposure is to wholesale electricity prices, which in turn is heavily influenced by the wholesale price of fossil fuels including gas and coal plus other volatile markets such as that for carbon emission certificates.

## *Interest rate risk*

Movements in interest rates can have a significant impact on the valuation levels of securities held by the company, including both equity and fixed income investments. In addition, higher interest rates, by increasing the financial costs of the businesses in which the Company invests, may act to reduce the profitability of the companies held within the portfolio, and in turn the price of their issued securities.

## *Climate risk*

Climate change has the potential to affect weather patterns and may have an adverse impact on renewable energy production from hydro and wind plants in particular. Higher temperatures may have other, as yet unforeseen, negative consequence on the operations of portfolio companies.

## **Directors' duties - s172 statement**

The Directors' overarching duty is to act in good faith and in a way that is the most likely to promote the success of the Company as set out in Section 172 of the Companies Act 2006. In doing so, the Directors must take into consideration the interests of the various stakeholders of the Company, the impact the Company has on the community and the environment, take a long term view on consequences of the decisions they make as well as aim to maintain a reputation for high standards of business conduct and fair treatment between the members of the Company.

Fulfilling this duty helps to ensure that all decisions are made in a responsible and sustainable way. In accordance with the requirements of the Companies (Miscellaneous Reporting) Regulations 2018, the Company explains how the Directors have discharged their duty under Section 172 below.

To ensure that the Directors are aware of, and understand, their duties they are provided with the pertinent information when they first join the Board as well as receive regular and ongoing updates and training on the relevant matters. They also have continued access to the advice and services of the Company Secretary, and when deemed necessary, the Directors can seek independent professional advice.

As well as the Terms of Reference of its committees, the Schedule of Matters Reserved for the Board are reviewed on at least an annual basis and further describe the Directors' responsibilities and obligations and include any statutory and regulatory duties. The Audit Committee has the responsibility for the ongoing review of the Company's risk management systems and internal controls and, to the extent that they are applicable, risks related to the matters set out in Section 172 are included in the Company's risk register and are subject to periodic and regular reviews and monitoring.

# Strategic Report continued

## Decision-making

The importance of the stakeholder considerations, in particular in the context of decision-making, is taken into account at every Board and Committee meeting. Meeting papers include a table setting out Section 172 factors and relevant information relating to them, and the Chair ensures decision-making is sufficiently informed by Section 172 factors. All discussions involve careful consideration of the longer-term consequences of any decisions and their implications for stakeholders to ensure that any decision will promote the long term success of the Company whether this is in relation to new investment opportunities, future fundraisings or dividends. By way of illustration, principal decisions made by the Board in 2022 related to:

- The appointment of a new Broker.
- A review of Company's performance against the S&P Global Clean Energy Index and increased volatility in the economic market.
- A review of regulatory changes leading to amendments to the Company's Key Information Document covering the Company's Packaged Retail and Insurance-based Investment Products (PRIIPs) pursuant to the Financial Conduct Authority's ("FCA") introduction to the PRIIP's UK Regulation for corporate boards, and the Company's implementation plan pursuant to the FCA's new Consumer Duty.
- A review of the Board's long term succession planning.
- The liquidation of the Company's subsidiary, PGIT Securities 2020 PLC, and
- The dividend for the financial year 2022.

## Stakeholders

The Board seeks to understand the needs and priorities of the Company's stakeholders, and these are considered during all its discussions and as part of its decision-making. As the Company is an externally managed investment company it does not have any employees or customers, nor does it have a direct impact on the community or environment in the conventional sense. Further explanation on environmental, social and governance issues can be found on pages 24 and 25. The Board has considered which parties should be deemed to be the Company's stakeholders and the section below sets out these key stakeholders and why they are considered of importance to the Company together with the actions taken to ensure that their interests are accounted for appropriately.

<b>Shareholders</b>	<p>Communication with shareholders is given a high priority by both the Board and the Investment Manager and all Directors are available to enter into dialogue with shareholders. Continued shareholder support and engagement are critical to existence of the business and the delivery of the long term strategy of the business.</p> <p>The Company understands the need to effectively communicate with existing and potential shareholders, briefing them on strategic and financial progress and obtaining feedback. The Board is committed to understanding the Company's shareholder's needs and current trends, maintaining open channels of communication, and to engage with shareholders in a manner which they find most meaningful, in order to gain an understanding of the views of shareholders. Most of the contact with shareholders is with the Investment Manager and the Company's Broker, and the Investment Manager met with all the Company's major shareholders during the year, together with other investors not owning shares in the Company. The Board receives regular reports about such meetings and any issues raised are considered carefully.</p> <p>The Board engagement includes:</p> <ul style="list-style-type: none"><li>• <b>Annual General Meeting</b></li></ul> <p>The Company welcomes engagement from shareholders at the AGM as it sees it as an important opportunity for all shareholders to engage directly with the Board and the Investment Manager. The Company will hold its AGM on 26 April 2023 at the offices of Stephenson Harwood LLP, in London. For further details please refer to the Notice of the AGM set out from page 85.</p> <p>The Board values any feedback and questions it may receive from shareholders ahead of, and during, the AGM and will take action or make changes, when and as appropriate. Where possible, all directors will attend the AGM. All voting at general meetings of the Company is conducted by way of a poll. All shareholders have the opportunity to cast their votes in respect of proposed resolutions by proxy, either electronically or by post. Following the AGM, the voting results for each resolution are published and made available on the Company's website.</p>
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## Strategic Report continued

<p><b>Shareholders</b> continued</p>	<ul style="list-style-type: none"> <li>• <b>Publications</b> The Annual Report and Half-Yearly results are made available on the Company's website and the Annual Report is circulated to those shareholders who have opted-in to receive hard copies. These reports provide shareholders with a clear understanding of the underlying portfolio and the financial position of the Company. The Company also publishes a monthly factsheet and portfolio update which are available on the website and the publication of which is announced via the London Stock Exchange. The monthly factsheet contains details on investment performance, both within the month and historic, together with the Investment Manager's commentary on performance and events for the month.</li> <li>• <b>Shareholder concerns</b> In the event shareholders wish to raise issues or concerns with the Directors, they are welcome to do so at any time by writing to the Chairman at the registered office. The Company always responds to letters from individual shareholders. Other members of the Board are also available to shareholders if they have concerns that have not been addressed through the normal channels. Feedback can also be given via the Company's corporate brokers, which is communicated to the Board and Investment Manager.</li> <li>• <b>Working with external partners</b> The Investment Manager and the Company's Broker maintain an active dialogue with shareholders and potential investors at scheduled meetings or analyst briefings particularly following financial results and provide the Board with regular reports and feedback on key market issues and shareholder concerns. This includes market dynamics and corporate perception.</li> </ul>
<p><b>The Investment Manager</b></p>	<p>The Investment Manager's performance is critical for the Company to successfully deliver its investment strategy and meet its objective to achieve high income from, and to realise long term growth in the capital value of its portfolio.</p> <p>Maintaining a close and constructive working relationship with the Investment Manager is crucial as the Board and the Investment Manager both aim to continue to achieve consistent, long term returns in line with its investment objective. Important components in the collaboration with the Investment Manager, representative of the Company's culture are:</p> <ul style="list-style-type: none"> <li>• Encouraging open discussion with the Investment Manager;</li> <li>• Adopting a tone of constructive challenge when appropriate;</li> <li>• Drawing on Board Members' individual experience and knowledge to support the Investment Manager in its monitoring of the portfolio; and</li> <li>• That the Board and the Investment Manager should act within the agreed investment restrictions and risk appetite statement and not seek to add further investment risk.</li> </ul>
<p><b>The Company Secretary; the Registrar; the Auditor; the Broker the Investment Manager; the Fund Administrator; the Custodian; and the Depositary</b></p>	<p>In order to function as an investment trust the Company relies on a diverse range of advisors for support with meeting all relevant legal and regulatory obligations. Advisor contact details can be found on page 91.</p> <ul style="list-style-type: none"> <li>• Company Secretary – Link Company Matters Limited;</li> <li>• Registrar – Link Group;</li> <li>• Auditor – KPMG LLP;</li> <li>• Broker – finnCap Limited;</li> <li>• Investment Manager – Premier Fund Managers Limited;</li> <li>• Fund Administrator – Premier Portfolio Managers Limited;</li> <li>• Custodian – The Northern Trust Company; and</li> <li>• Depositary – Northern Trust Investor Services Limited.</li> </ul>

# Strategic Report continued

	The Board maintains regular contact with its key external providers, primarily at Board and committee meetings, as well as through the Investment Manager from its own interactions with the external providers outside of the regular meeting cycle. In addition, the Management Engagement Committee is tasked with periodic reviews of the external service providers, assessing their performance, fees, and continuing appointment at least annually to ensure that the key service providers continue to function at an acceptable level and are appropriately remunerated to deliver the levels of service required of them.
<b>Regulators</b>	<p>The Company operates in accordance with laws and regulations issued by relevant regulators, authorities, and government agencies, including the London Stock Exchange, the Financial Conduct Authority, the Financial Reporting Council and HMRC, who have a legitimate interest in how the Group operates in the market and treats its shareholders. We have an open and transparent relationship with all such authorities.</p> <p>The Group regularly considers how it meets various regulatory and statutory obligations and follows voluntary and best-practice guidance, and how any governance decisions it makes can have an impact on its stakeholders, both in the shorter and in the longer-term.</p>

## Culture

The Directors are of the opinion that establishing and maintaining a healthy corporate culture amongst the Board and in its interaction with the Investment Manager, shareholders and other stakeholders will support the delivery of its purpose, values and strategy. The Board seeks to promote a culture of openness, transparency and integrity through ongoing dialogue and engagement with its stakeholders, principally the Investment Manager.

The Board strives to ensure that its culture is in line with the Company's purpose, values and strategy and will consider this through its annual evaluation processes. There are also policies and procedures in place to assist with maintaining a culture of good governance that include those relating to Directors' dealings in the Company's Shares, conflicts of interest and bribery.

The Board seeks to appoint appropriate third-party service providers and evaluates their services on a regular basis as described on page 22. Their ongoing appointments are not only reflective of their performance by reference to their contractual and service level obligations, but also take into account the extent to which their individual corporate cultures align with those of the Company. The Board considers the culture of the Investment Manager and other stakeholders, including their policies, practices and behaviour, through regular reporting from these stakeholders and in particular during the annual review of the performance and continuing appointment of all service providers.

## Key performance indicators

The Company's Directors meet regularly to review the performance of the Company and its shares. The key performance indicators ("KPIs") used to measure the progress and performance of the Company over time are as follows:

- 1) *The performance against a set of reference points.* The Investment Manager's performance is not assessed against a formal benchmark but rather against a set of reference points which are more general in nature and intended to be representative of the broad spread of assets in which the portfolio invests. These references include the Company's performance benchmark index, the S&P Global Clean Energy Index, (see Company Highlights on page 2). Internally, and not published within this report, performance is also measured against other global, regional, and sector based indices.
- 2) *The performance against the peer group.* The assessment of the Investment Manager's performance against companies which invest in similar, but not necessarily the same, securities allows the Board to evaluate the effectiveness of the Company's investment strategy. This is an internal review only, and not published within this report.
- 3) *The performance of the Company at the gross asset level.* This shows how the assets attributable to shareholders as a whole have performed (see Company Highlights Total Assets Total Return).
- 4) *The performance of the Ordinary Shares, both in terms of share price total return (i.e. accounting for dividends received) and in terms of net asset value total return.* The share price performance is the measure of the return that shareholders have actually received and will reflect the impact of widening or narrowing of discounts to NAV (see graphs on page 3).
- 5) *Ongoing charges.* The annualised ongoing charges figure for the year was 1.70% (2021: 1.65%). This figure represents the annual percentage reduction in total assets total return as a result of recurring operational expenses charged against both income and capital, and excludes the finance costs associated with ZDPs accrued capital entitlement.

The Board reviews each year an analysis of the Company's ongoing charges figure and a comparison with its peers. The Company also calculates summary cost indicators for publication in the KID, available on the Company's website.



# Strategic Report continued

All of these areas were examined throughout the year and the table below summarises the key indicators:

	As at or year to: 31 December 2022	As at or year to: 31 December 2021	% change
<b>Total Return Performance</b>			
Total Assets Total Return <sup>1#</sup>	<b>(7.3%)</b>	19.8%	
S&P Global Clean Energy Index <sup>2</sup> (GBP)	<b>6.6%</b>	(22.5%)	
Ongoing charges <sup>3#</sup>	<b>1.70%</b>	1.65%	
<b>Ordinary Share Performance</b>			
Net Asset Value per Ordinary Share (cum income) <sup>4#</sup>	<b>178.44p</b>	210.60p	<b>(15.3%)</b>
Revenue return per Ordinary Share	<b>7.29p</b>	7.43p	<b>(1.9%)</b>
Net dividends declared per Ordinary Share	<b>7.00p</b>	7.00p	<b>0.0%</b>
Discount to Net Asset Value <sup>#</sup>	<b>(12.9%)</b>	(6.7%)	

<sup>#</sup> Alternative Performance Measure ("APM"). See Glossary of Terms for definitions and Alternative Performance Measures on pages 76 to 80.

<sup>1</sup> Source: PFM Limited. Based on opening and closing total assets plus dividends marked "ex-dividend" within the period.

<sup>2</sup> Source: Bloomberg.

<sup>3</sup> Ongoing charges have been based on the Company's management fees and other operating expenses as a percentage of average gross assets less current liabilities over the year (excluding the ZDPs accrued capital entitlement).

<sup>4</sup> Articles of Association basis.

## Future prospects

The Board's main focus is the achievement of a high income from the portfolio together with the generation of long term capital growth. The future of the Company is dependent upon the success of the investment strategy. The investment outlook and future developments of the Company are discussed in both the Chairman's statement on pages 4 to 6 and the Investment Manager's report on pages 7 to 10.

## Board diversity policy

The Nomination Committee considers diversity, including the balance of skills, knowledge, including gender and experience, amongst other factors when reviewing the composition of the Board and appointing new directors. The Board is an enthusiastic supporter of diversity in its composition, recognising that it brings additional benefits to the Company and its stakeholders beyond specialist skills, knowledge, experience, backgrounds and perspectives. As a result, the Board's views on diversity principles are aligned with those expressed in the Hampton-Alexander Review regarding the proportion of women on boards and also the Parker Review about ethnic representation on boards, amongst other published commentaries. The Nomination Committee and the Board is also cognisant of the board diversity targets as set out in the Financial Conduct Authority's Listing Rules, against which the Company will begin reporting for the year ending 31 December 2023. However, as at the date of this Report, the Board has met the recommended targets of 40% female representation and at least one senior board position being held by a female.

It is the intention of the Board to work towards enhancement of its diversity alongside the maintenance of key skillsets proportionate to the size of the Company and developments in this area will be reported to stakeholders periodically. Any future Board appointments will be made on the basis of merit against the specific criteria for the role being offered and there will be no discrimination on the grounds of gender, race, ethnic or national origins, religion, sexual orientation, age or disabilities. As at the end of 2022, the Board comprised two female non-executive directors and one male non-executive director. The Company has no employees.

## Environmental, social and governance ("ESG") issues

The Company has no employees, property or activities other than investments, so its direct environmental impact is minimal. In carrying out its activities and in its relationships with service providers and their employees, the Company aims to conduct itself responsibly, ethically and fairly. Under Listing Rule 15.4.29(R), the Company, as a closed-ended investment fund, is exempt from complying with the Task Force on Climate-related Financial Disclosures.

# Strategic Report continued

## United Nations Sustainable Development Goals



The Company invests primarily in companies operating renewable energy assets, or facilitating the delivery of renewable energy to customers. As such its portfolio is primarily exposed to those companies which aim to address the following Sustainable Development Goals, as adopted by the United Nations:



- Affordable and clean energy:  
Ensure access to affordable, reliable, sustainable and modern energy for all.



- Industry, innovation and infrastructure:  
Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation.



- Climate Action:  
Take urgent action to combat climate change and its impacts.

## London Stock Exchange Green Economy Mark



In January 2021 the Company received the London Stock Exchange's Green Economy Mark, a classification which is awarded to companies and funds that are driving the global green economy. To qualify for the Green Economy Mark, companies and funds must generate at least 50% of their total annual revenues from products and services that contribute to the global green economy.

## Principles for Responsible Investment



Principles for Responsible Investment

The Investment Manager integrates Governance and Social responsibility into its investment process, and actively engages with investee companies in order deliver improved outcomes for all stakeholders. The Investment Manager has a dedicated team which assesses the relevant ESG metrics across all investments held by the Investment Manager. Given the nature of the Company's portfolio, environmental performance is given particular emphasis. The Fund Manager takes an active approach to voting on company resolutions at annual general meetings of investee companies. Premier Miton is a signatory to the Principles for Responsible Investment, an organisation which encourages and supports its signatories to incorporate environmental, social, and governance factors into their investment and ownership decisions.

## Prevention of the facilitation of tax evasion

In response to the implementation of the Criminal Finances Act 2017, the Board has adopted a zero-tolerance approach to the criminal facilitation of tax evasion. Accordingly, it expressly prohibits any Director, suppliers, agents, or third parties, when acting on behalf of the Company, to facilitate tax evasion on behalf of the Company.

## Social, community and human rights

The Company does not have any specific policies on social, community or human rights issues as it is an investment company which does not have any physical assets, property, employees or operations of its own.

For and on behalf of the Board

Gillian Nott OBE

Chairman

14 March 2023

# Directors' Report

for the year ended 31 December 2022

The Directors present their Report together with the audited Financial Statements of the Company for the year ended 31 December 2022.

## Disclosures incorporated by reference

For the purposes of compliance with Disclosure Guidance and Transparency Rules ('DTR') DTR 4.1.5 R (2) and DTR 4.1.8 R, the required content of the 'Management Report' can be found in the Strategic Report and this Directors' Report. The following disclosures required to be included in this Directors' Report have been incorporated by way of reference to other sections of this report and should be read in conjunction with this report:

- Corporate Governance Statement – refer to pages 34 to 37 of this report;
- Strategy and relevant future developments – refer to the Chairman's Statement on pages 4 to 6, the Investment Manager's Report on pages 7 to 10 and pages 15 to 25 of the Strategic Report; and
- Financial risk management objectives and policies – the Company invests in financial instruments which are valued at fair value. An analysis of the portfolio is provided in note 8 on page 64. Further information about financial instruments and capital disclosures is provided in note 21 on pages 69 to 75.

## Investment management and administration

Premier Portfolio Managers Limited ("PPM" or the "Investment Manager") was appointed as the Company's AIFM, pursuant to an Alternative Investment Fund Management Agreement with effect from 20 January 2015 and has delegated the portfolio management of the Company's portfolio of assets to PFM Limited. The Company and Investment Manager entered into a restated Investment Management Agreement on 25 January 2019. The agreement was again amended and restated on 21 June 2021.

Under the Investment Management Agreement, the Investment Manager is entitled to receive a management fee of 0.0625% per calendar month, exclusive of VAT or any similar tax, of the Company's gross assets. Assets invested in other funds or companies managed or advised by the Investment Manager or its subsidiaries are disregarded. The Investment Management Agreement is terminable by either party on six months' notice. No additional fee is payable to PPM in respect of its appointment as AIFM.

The Investment Manager is a subsidiary of Premier Miton Group plc and is authorised and regulated by the Financial Conduct Authority.

## Appointment of the Manager

The Board considers the arrangements for the provision of investment management services to the Company on an ongoing basis and a formal review is conducted annually. As part of the annual review the Board considered the quality and continuity of the personnel assigned to handle the Company's affairs, the investment process and the results achieved to date.

The Board has concluded that the continuing appointment of the Investment Manager as AIFM, and the delegation of investment management services to the Investment Manager on the terms disclosed above, is in the interests of shareholders as a whole given their expertise and track record in the sector.

## Depository and Custodian

The Company is required under the AIFMD to appoint an AIFMD compliant depository. In November 2021, Northern Trust Investor Services Limited ("NTISL") was appointed as the Company's trustee and depository. Previously, the depository of the Company was Northern Trust Global Services SE, UK branch, however as a consequence of the UK exit from the European Union, the trustee and depository services were transferred to NTISL as a UK incorporated entity, in accordance with the rules of the Financial Conduct Authority ("FCA").

Custody services in respect of the Company's assets are provided by The Northern Trust Company.

## Registrar

The Company has appointed Link Group as its Registrar (the "Registrar"). The principal duty of the Registrar is the maintenance of the register of shareholders (including registering transfers). It also provides services in relation to any corporate actions, dividend administration, shareholder documentation, the Common Reporting Standard and the Foreign Account Tax Compliance Act.

# Directors' Report continued

The Registrar receives a fee for the maintenance of the register calculated on the number of holders on the register at any time during each month and the number of transfers in that period, plus disbursements and VAT. Fees in respect of corporate actions and other services are negotiated on an arising basis.

## Company Secretary

Link Company Matters Limited was appointed as the Company Secretary with effect from 29 July 2020, in place of Premier Portfolio Managers Limited, under the terms of a Company Secretarial Services Agreement dated 1 June 2020. The Agreement is terminable after the initial one-year period, subject to a minimum notice period of six months.

## Administrator

Certain administrative functions have been delegated to Northern Trust Global Services SE by Premier Portfolio Managers Limited for which Northern Trust Global Services SE receives a fee for its services.

## Directors

The Directors of the Company as at 31 December 2022 are listed below and on page 14 together with their biographies. Details of their interests in the Ordinary Shares of the Company are set out in the Directors' Remuneration Report on page 38. All of the Directors are non-executive and have served throughout the year under review and up to the date of signing the financial statements.

Gillian Nott OBE – Chair of the Board, the Nomination Committee and the Management Engagement Committee

Melville Trimble – Chair of the Audit Committee

Victoria Muir – Chair of the Remuneration Committee

None of the Directors, nor any persons connected with them, had a material interest in any of the Company's transactions, arrangements, or agreements during the year. None of the Directors has, or has had, any interest in any transaction which is, or was, unusual in its nature or conditions or significant to the business of the Company, and which was affected by the Company during the current financial year.

The Board has resolved that all the Directors should be subject to re-election on an annual basis. Accordingly, all the Directors who held office throughout the year will offer themselves for re-election at the Annual General Meeting. The Board has considered the positions of the retiring Directors as part of the annual evaluation process and believes that it would be in the Company's best interests for the Directors to be proposed for re-election at the forthcoming Annual General Meeting, given their material level of contribution and commitment to the role.

Having considered the Directors' performance within the annual Board performance evaluation process, further details of which are provided on page 35, the Board believes that it continues to be effective and the Directors bring extensive knowledge and commercial experience and demonstrate a range of valuable business, financial and asset management skills. The Board therefore recommends that shareholders vote in favour of each Director's proposed re-election.

There were no contracts subsisting during or at the end of the year in which a Director of the Company is or was materially interested and which is or was significant in relation to the Company's business. None of the Directors has a service contract with the Company and no Director is entitled to compensation for loss of office.

## Conflicts of interest

The Board has put in place a framework for Directors to report conflicts of interest or potential conflicts of interest which it believes has worked effectively during the year. All Directors are required to notify the Company Secretary of any situations where they consider that they have a direct or indirect interest, or duty that would conflict, or possibly conflict, with the interests of the Company. No such situations, however, have been identified. There remains a continuing obligation to notify the Company Secretary of any new situation that may arise, or any change to a situation previously notified. The Board reviews all notified situations on a quarterly basis.

## Directors' Remuneration Report

The Directors' Remuneration Report is set out on pages 38 to 41. An ordinary resolution to approve this report will be proposed to shareholders at the Company's forthcoming Annual General Meeting.



# Directors' Report continued

The Company is also required to put the Directors' remuneration policy to a binding shareholder vote every three years. The remuneration policy was last put to shareholders at the Annual General Meeting in 2020 and will therefore be put to shareholders for approval at the forthcoming 2023 Annual General Meeting.

## Directors' and Officers' Liability Insurance

Directors' and Officers' liability insurance cover is maintained by the Company, at its expense, on behalf of the Directors. Under the Company's articles of association, the Directors are provided, subject to the provisions of UK legislation, with an indemnity in respect of liabilities which they may sustain or incur in connection with their appointment. This indemnity was in force during the year and remains in force as at the date of this report. Apart from this, there are no third-party indemnity provisions in place for the Directors.

## Bribery prevention policy

The provision of bribes of any nature to third parties in order to gain a commercial advantage is prohibited and is a criminal offence. The Board has a zero-tolerance policy towards bribery and a commitment to carry out business fairly, honestly and openly. The Board takes its responsibility to prevent bribery by the Company's Manager on its behalf very seriously and the Investment Manager has anti-bribery policies and procedures in place. The Company's other key service providers have also been contacted in respect of their anti-bribery policies.

## Global greenhouse gas emissions for the year ended 31 December 2022

The Company has no greenhouse gas emissions to report from the operations of the Company, nor does it have responsibility for any other emission producing sources under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013.

## Modern slavery act

The Company is an investment vehicle and does not provide goods or services in the normal course of its business, or have customers. Accordingly, the Directors consider that the Company is not within the scope of the Modern Slavery Act 2015.

## Substantial shareholdings

The Company has been informed of the following latest notifiable interests in the voting rights of the Company, in accordance with Disclosure Guidance and Transparency Rule 5.1.2, as at 31 December 2022:

Ordinary Shares	Number of shares	% of total voting rights
Philip J Milton & Company Plc	1,227,922	6.73
Premier Miton Group Plc	1,200,000	6.63

Between 31 December 2022 and the date of this report, the Company has not been notified, in accordance with Disclosure Guidance and Transparency Rule 5.1.2, of any additional interests in the voting rights of the Company.

## Capital structure

Full details of the Company's share capital are given in note 14 to the Financial Statements on page 67. Details of the voting rights in the Company's Ordinary Shares as at the date of this report are given in note 7 to the Notice of Annual General Meeting.

## Ordinary shares

The Ordinary Shares carry the right to receive dividends and have one voting right per Ordinary Share. There are no restrictions on the voting rights or the transfer of the Ordinary Shares. On a winding-up, they will be entitled to any undistributed revenue reserves and any surplus assets of the Company after the ZDP Shares' accrued capital entitlement and payment of all liabilities.

The Zero Dividend Preference Shares are issued by PMGR Securities 2025 PLC, a subsidiary of the Company, and have a final capital entitlement of 127.6111p per ZDP share on 28 November 2025.

PGIT Securities 2020 PLC was dissolved on 11 November 2022 and the final capital entitlement of 125.6519 pence per ZDP share was made in respect of those ZDP Shares where valid elections had not been received for new ZDP Shares.

# Directors' Report continued

There are no shares which carry specific rights with regard to the control of the Company. At 31 December 2022, the Company's issued share capital was 18,238,480 Ordinary Shares, including a balance of 1,650,800 Ordinary Shares admitted to the premium segment of the London Stock Exchange as a block listing on 2 February 2021. During the year under review, no Ordinary Shares were issued. Any shares to be issued from the block listing will be used to satisfy market demand and no shares will be issued at less than the prevailing net asset value at the time of the issue.

## Going concern

The Directors believe that having considered the Company's investment objectives (shown on page 1), risk management policies and procedures on page 36, nature of portfolio and income and expense projections, that the Company has adequate resources, an appropriate financial structure and suitable management arrangements in place to continue in operational existence for a period of at least 12 months from the date these financial statements were approved.

Specifically, the Directors have taken into account:

- The shareholder approval at the AGM held in April 2020 to continue the Company's life until 2025.
- The life of the ZDP Shares to November 2025.
- The reduction in gearing seen since the continuation vote in April 2020, following overall net positive investment performance and a smaller ZDP shares issue from November 2020.
- That aside from ZDP Shares, the Company has no significant liabilities.
- The Company's assets consist of readily realisable securities.
- The Company's operating costs are well covered by revenue income.
- Cash flows are closely matched to income and the company carries no material receivable balances.
- There is no litigation or other disputes outstanding against the Company.
- The Company maintains an adequate cash balance to manage its affairs in an orderly manner. The Portfolio consists of liquid securities which can be realised to generate additional cash balances if required.
- The Company's investment policy is to invest in renewable energy and other sustainable infrastructure. The Directors believe this is a relatively low risk area of equity investment with highly contracted revenue streams and policy support from governments.
- The Company does not have a material exposure to investments in Russia, and holds no investments listed or headquartered in Russia. The Company may hold investments which may have Russian investments, but these are not of a scale that would have a material impact on the Company's portfolio.

In taking these considerations into account, the Directors have also considered potential downside scenarios as set out below:

- A material fall in equity markets caused by increases in interest rates. The Company's investments may be subject to higher financial costs and adverse movements in valuation metrics as a result.
- The impact of higher inflation on the ability of investments held to maintain their earnings in real terms.
- The volatility of energy and other relevant commodity prices which may result in changes to revenues in portfolio companies.

For these reasons, the Directors consider that the use of the going concern basis is appropriate.

# Directors' Report continued

## Performance

An outline of the performance, market background, investment activity and portfolio strategy during the period under review, as well as the investment outlook, is provided in the Chairman's Statement and Investment Manager's report.

## Financial instruments

The Company invests in financial instruments which are valued at fair value. An analysis of the portfolio is provided in note 8 on page 64. Further information about financial instruments and capital disclosures is provided in note 21 on pages 69 to 75.

## Proxy voting as an institutional investor

Responsibility for actively monitoring the activities of companies in which the Company is invested has been delegated by the Board to the Investment Manager. The Investment Manager is responsible for reviewing, on a regular basis, the annual reports, circulars and other publications produced by the investee companies. The Investment Manager, in the absence of explicit instructions from the Board, is empowered to exercise discretion in the use of the Company's voting rights. Wherever practicable, the Investment Manager's policy is to vote all shares held by the Company.

## Annual General Meeting

THIS SECTION IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to what action you should take or about the contents of this document, you should immediately consult an independent financial adviser authorised under the Financial Services and Markets Act 2000 (or in the case of recipients outside the United Kingdom, a stockbroker, bank manager, solicitor, accountant or other independent financial adviser).

If you have sold or otherwise transferred all of your shares in Premier Miton Global Renewables Trust PLC, please pass this document, together with the accompanying Form of Proxy, as soon as possible to the purchaser or transferee or to the stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

The notice of the Annual General Meeting to be held on 26 April 2023 is set out on pages 85 to 87. Resolutions 1 to 11 will be proposed as ordinary resolutions and Resolutions 12 to 15 will be proposed as special resolutions.

The following explains the resolutions to be considered at the Meeting:

### To receive and adopt the Annual Accounts

The Directors are required to present the annual accounts for the year ended 31 December 2022, together with the strategic report, Directors' report and auditor's report on those accounts, to the meeting. These are contained in the Company's Annual Report. A resolution to receive and adopt the annual accounts, together with the strategic report, Directors' report and auditor's report is included as an ordinary resolution.

### Approval of the Directors' Remuneration Report

An advisory resolution to approve the Directors' remuneration report is included as an ordinary resolution. The Directors' remuneration report is set out on pages 38 to 41 of the Annual Report.

### Approval of the Company's dividend policy to continue to pay four interim dividends per year

An ordinary resolution to approve the Company's existing policy to pay four interim dividends per year is proposed to shareholders.

Under the Company's articles of association, the Board is authorised to approve the payment of interim dividends without the need for prior approval of the Company's shareholders.

However, having regard to corporate governance best practice relating to the payment of interim dividends without the approval of a final annual dividend by a company's shareholders, the Board has decided to seek express approval from shareholders of its dividend policy to pay four interim dividends per year. The policy remains unchanged to that disclosed in the Company's initial public offering prospectus and confirmed in the most recent prospectus published on 20 April 2016, which states that in the absence of unforeseeable circumstances, dividends will be paid on the Ordinary Shares quarterly, usually by way of interim dividend paid in June, September, December and March. Dividends are paid to the extent that they are covered by the income received from the Company's underlying investments, less operating and other costs. The distribution of surpluses from realisations of investments is prohibited by the Articles and such surpluses accrue to the benefit of the Company. The Company retains no more than 15 per cent. of its income derived from shares and securities in respect of any accounting period.

# Directors' Report continued

Notwithstanding the provisions of the Company's articles of association, it is the intention of the Board to refrain from authorising any further interim dividend payments until such time as the Company's dividend policy is approved by its shareholders. Accordingly, if Resolution 4 is not passed at the Annual General Meeting, it is the Board's intention to recommend the declaration of any future dividends to the Company's shareholders for approval in a general meeting until such time as an equivalent resolution approving the Company's dividend policy is approved by the shareholders.

## **Re-election of Directors**

In accordance with corporate governance best practice, Gill Nott, Melville Trimble and Victoria Muir will stand for re-election to the Board. The skills and experience of each director, which can be found on page 14 of the Annual Report, demonstrate why their contribution is, and continues to be, important to the Company's long term sustainable success.

## **Reappointment of the Auditors of the Company and Auditor's remuneration**

At each meeting at which the Company's financial statements are presented to its members, the Company is required to appoint an auditor to serve until the next such meeting. The Board, on the recommendation of the Audit Committee, recommends the re-election of KPMG LLP and this will be proposed to the AGM as Resolution 8. Resolution 9 authorises the Audit Committee to determine the remuneration of KPMG LLP as auditors.

## **Authority to allot Ordinary Shares**

Resolutions 10 and 11, ordinary resolutions as set out in the Notice of AGM, if passed, will renew the Directors' authority to allot shares in accordance with statutory pre-emption rights. These resolutions will authorise the Board to allot:

- Ordinary Shares generally and unconditionally in accordance with section 551 of Companies Act 2006 up to an aggregate nominal value of £18,238.48, representing approximately 10% of the Company's issued share capital (excluding treasury shares) as at the date of the Notice of AGM; and
- further Ordinary Shares generally and unconditionally in accordance with section 551 of Companies Act 2006 up to an additional aggregate nominal value of £18,238.48, representing approximately 10% of the Company's issued share capital (excluding treasury shares) as at the date of the Notice of AGM (Resolution 11).

If both of these resolutions are passed, shareholders will be granting the Directors authority to allot up to 20% of the Company's issued share capital. The Board believes that passing of Resolutions 10 and 11 is in the shareholders' interests as the authority is intended to be used for funding investment opportunities sourced by the Portfolio Manager, thereby mitigating any potential dilution of investment returns for existing shareholders, and the Directors will only issue new Ordinary Shares at a price above the prevailing NAV per Ordinary Share.

If only Resolution 10 is passed and Resolution 11 is not passed, shareholders will only be granting Directors the authority to allot up to 10% of the existing issued ordinary share capital of the Company.

These authorities, if given, will lapse at the conclusion of the 2024 AGM of the Company.

The Directors do not currently intend to allot shares other than to take advantage of opportunities in the market as they arise and only if they believe it would be advantageous to the Company's shareholders to do so. In the event that Resolution 10 is not passed, Resolution 11 will not be proposed at the AGM.

## **Authority to disapply pre-emption rights**

Resolution 12, a special resolution, is being proposed to authorise the Directors to disapply the statutory pre-emption rights of existing shareholders in relation to the issue of shares under Resolution 10, for cash or the sale of shares out of treasury up to an aggregate nominal amount of £18,238.48, being approximately 10% of the Company's issued share capital (excluding treasury shares) as at the date of the Notice of AGM.

Resolution 13, a special resolution, is being proposed to authorise the Directors to disapply the statutory pre-emption rights of existing shareholders in relation to the further issue of shares under Resolution 11, for cash or the sale of shares out of treasury up to an aggregate nominal amount of £18,238.48, being approximately 10% of the Company's issued share capital (excluding treasury shares) as at the date of the Notice of AGM.



# Directors' Report continued

In respect of Resolutions 12 and 13, shares would only be issued at a price above the prevailing NAV per share. The Directors will only issue shares on a non-pre-emptive basis if they believe it would be in the best interests of the Company's shareholders. If both these resolutions are passed, shareholders will be granting the Directors authority to allot up to 20% of the Company's issued share capital on a non-pre-emptive basis. Although this percentage authority is higher than the authority typically sought by investment companies, the Board believes that in order to have the maximum flexibility to raise finance to enable the Company to take advantage of suitable opportunities, the passing of Resolutions 12 and 13 is in the shareholders' interests.

## Purchase by the Company of its own shares

At the Annual General Meeting held on 28 April 2022 a special resolution was passed, giving the Directors authority until the conclusion of the earlier of the 2023 Annual General Meeting and 28 October 2023, to make market purchases of up to a maximum of 2,733,948 Ordinary Shares. During the year to 31 December 2022 no Ordinary Shares were purchased (during the year ended 31 December 2021 no shares were purchased).

The Board proposes that the Company should be given renewed general authority to purchase Ordinary Shares in the market for cancellation in accordance with the Companies Act 2006 but subject to the provisions set out below. Resolution 14 of the AGM, which is a special resolution, is being proposed for this purpose.

It is proposed that the Company be authorised to purchase on the London Stock Exchange up to 2,733,948 Ordinary Shares (representing 14.99% of the Company's issued share capital as at 14 March 2023) provided that:

- (a) Ordinary Shares may only be purchased at prices below their prevailing net asset value per Ordinary Share (as determined by the Directors in accordance with the Articles as at a date falling no more than 10 days before the date of the relevant repurchase and taking into account the costs of the repurchase) and where:
  - (i) the Cover of the ZDP Shares issued by PMGR Securities 2025 PLC ("ZDP Shares") would not be reduced below 1.75 times; or
  - (ii) the Cover of the ZDP Shares would not be less than the Cover of the ZDP Shares in issue immediately prior to the repurchase, in each case as determined by the Directors as at a date falling not more than 10 days before the date of repurchase and taking account of any purchases of ZDP Shares proposed to be made at or about the same time; or
- (b) Ordinary Shares and ZDP Shares may be purchased in such proportions and at such prices so as to effect an increase in the net asset value per Ordinary Share (as determined by the Directors in accordance with the Articles as at a date falling no more than 10 days before the date of the relevant repurchases and taking into account the costs of the repurchases) and where:
  - (i) the Cover of the ZDP Shares would not be reduced below 1.75 times; or
  - (ii) the Cover of the ZDP Shares would not be less than the Cover of the ZDP Shares in issue immediately prior to the repurchases, in each case as determined by the Directors as at a date falling not more than 10 days before the date of repurchases.

Repurchases of Ordinary Shares will be made at the discretion of the Board within guidelines set from time to time by the Board and only when market conditions are considered by the Board to be appropriate and in accordance with the Listing Rules.

Under London Stock Exchange rules, the maximum price to be paid on any exercise of the authority in respect of Ordinary Shares must not exceed the higher of (i) 105% of the average of the middle market quotations for a share for the five business days immediately preceding the date of purchase and (ii) the higher of the price of the last independent trade in the Ordinary Shares and the highest then current independent bid for the Ordinary Shares on the London Stock Exchange. The authority to purchase shares will last until the Annual General Meeting of the Company in 2023, or 26 October 2024, whichever is the earlier.

## Notice Period for General Meetings

Resolution 15 is a special resolution that will give the Directors the ability to convene general meetings, other than annual general meetings, on a minimum of 14 clear days' notice. The minimum notice period for annual general meetings will remain at 21 clear days. This authority would provide the Company with flexibility where action needs to be taken quickly but will only be used where the Directors consider it in the best interests of shareholders to do so and the matter to be considered is required to be dealt with expediently. The approval will be effective until the 2024 Annual General Meeting of the Company, at which time it is intended that renewal will be sought.

# Directors' Report continued

## Recommendation

**Your Board considers that the above resolutions are in the best interests of the Company and its members as a whole and are likely to promote the success of the Company for the benefit of its members as a whole. Accordingly, your Board unanimously recommends that shareholders should vote in favour of the resolutions as they intend to do in respect of their own beneficial shareholdings amounting to 28,619 Ordinary Shares.**

## Companies Act 2006 Disclosures

In accordance with Section 992 of the Companies Act 2006 the Directors disclose the following information:

- the Company's capital structure and voting rights are summarised on page 28, and there are no restrictions on voting rights nor any agreement between holders of securities that result in restrictions on the transfer of securities or on voting rights;
- there exist no securities carrying special rights with regard to the control of the Company;
- details of the substantial shareholders in the Company are listed on page 28;
- the Company does not have an employee share scheme;
- the rules concerning the appointment and replacement of Directors, amendment of the Articles of Association and powers to issue or buy back the Company's shares are contained in the Articles of Association of the Company and the Companies Act 2006;
- there exist no agreements to which the Company is party that may affect its control following a takeover bid; and
- there exist no agreements between the Company and its Directors providing for compensation for loss of office that may occur because of a takeover bid.

## Requirements of the Listing Rules

Listing Rule 9.8.4 requires the Company to include certain information in a single identifiable section of the Annual Report or a table indicating where the information is set out. The Directors confirm that there are no disclosures to be made in relation to Listing Rule 9.8.4.

## Auditor

KPMG LLP were appointed as Auditor on 13 November 2017 and a resolution confirming their reappointment and to authorise the Audit Committee to determine their remuneration will be proposed at the forthcoming Annual General Meeting.

## Financial statements

The financial statements have been prepared under UK-adopted international accounting standards and applicable law.

## Disclosure of information to auditors

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's Auditor is unaware; and each Director has taken all the steps that they ought to have taken as Directors to make themselves aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

By Order of the Board



**Gillian Nott OBE**

Chairman

14 March 2023

# Statement of Corporate Governance

## Introduction

As a UK-listed investment trust the Company's principal reporting obligation is driven by the UK Corporate Governance Code (the "UK Code") issued by the Financial Reporting Council in July 2018. However, as listed investment trusts differ from other listed companies in many ways, the Association of Investment Companies has drawn up its own set of guidelines, the AIC Code of Corporate Governance (the "AIC Code") which addresses the governance issues relevant to investment companies and has been endorsed by the Financial Reporting Council.

The Board of Premier Miton Global Renewables Trust PLC (the "Company") has considered the Principles and Provisions of the AIC Code. The AIC Code addresses the Principles and Provisions set out in the UK Code, as well as setting out additional Provisions on issues that are of specific relevance to the Company.

The Board considers that reporting against the Principles and Provisions of the AIC Code, which has been endorsed by the Financial Reporting Council provides more relevant information to shareholders.

The Company has complied with the Principles and Provisions of the AIC Code, with the exception that a senior non-executive Director has not been identified due to the small size of the Board. The Chairman of the Company was independent of the Investment Manager at the time of her appointment as an independent non-executive Director and is deemed to be independent by the other Board members.

The AIC Code is available on the AIC website ([www.theaic.co.uk](http://www.theaic.co.uk)). It includes an explanation of how the AIC Code adapts the Principles and Provisions set out in the UK Code to make them relevant for investment companies.

## Board of Directors

The Board consists of three non-executive Directors at the date of this report all of whom are independent of the Investment Manager. Their biographies are set out on page 14. Collectively the Board believes it has the requisite range of business and financial experience which enables it to provide clear and effective leadership and proper stewardship of the Company.

The number of meetings of the Board and its Committees held during the financial year and the attendance of individual Directors are shown below:

	Board	Audit Committee	Nomination Committee	Remuneration Committee	Management Engagement Committee
<b>Number of meetings in the year</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>	<b>2</b>
Gillian Nott OBE	4	3	2	1	2
Melville Trimble	4	3	2	1	2
Victoria Muir	4	3	2	1	2

The Board meets at least four times during the year to review investment performance, financial reports and other matters set out in the schedule of matters reserved for the Board. Board or Board Committee meetings will also be held on an ad hoc basis to consider issues as they arise. Key representatives of the Investment Manager attend each meeting and between meetings there is regular contact with the Manager.

The Board deals with the Company's affairs, including the setting of gearing and investment policy parameters, the monitoring of gearing and investment policy and the review of investment performance. The Investment Manager takes decisions as to asset allocation and the purchase and sale of individual investments. The Board papers circulated before each meeting contain full information on the financial condition of the Company. Key representatives of the Investment Manager attend the Board meetings, enabling Directors to probe further or seek clarification on matters of concern.

Matters specifically reserved for discussion by the full Board have been defined and a procedure adopted for the Directors to take independent professional advice if necessary, at the Company's expense.

# Statement of Corporate Governance continued

In accordance with the Articles of Association, new Directors stand for election at the first Annual General Meeting following their appointment. The Articles require that at least one third of the Directors retire by rotation each year and seek re-election at the Annual General Meeting. However, the Board has taken the decision to adopt corporate governance best practice resulting in annual re-election for all Directors.

## **Performance evaluation/re-election of Directors**

An appraisal process has been established to review the effectiveness of the Board, its Committees and individual Directors. The Chairman considers each year whether the appraisal process should be carried out by an external party and concluded in respect of 2022 that it was appropriate to continue to conduct the process internally by way of a questionnaire, a method considered appropriate and proportional to the Company and which historically has generated useful results. Results of the evaluation were collated by the Company Secretary and provided to the Chairman for analysis, who then discussed the findings with the Board. The other Directors also met to evaluate the performance of the Chairman.

The appraisal process is considered by the Board to be constructive in terms of identifying areas for improvement in the performance of the Board and its Committees and the contribution of individual Directors, as well as building on, and developing, individual and collective strengths.

The results of the evaluation demonstrated that the current composition of the Board and its Committees reflected a suitable mix of skills and experience and that the Board as a whole, the individual Directors and its Committees, were functioning effectively.

The Board held a Strategy meeting in the first quarter of 2023 to reflect on the Company's investment objective and policy, as well as to consider ESG matters.

## **Directors' appointment, retirement and rotation**

The rules concerning the appointment, retirement and rotation of Directors are set out in the Directors' Report on page 27. The Board recognises the value of progressive renewing of, and succession planning for company boards. The refreshment of the Board will remain an ongoing process to ensure that the Board is well-balanced through the appointment of new Directors with the skills and experience necessary. Directors must be able to demonstrate commitment to the Company including in terms of time.

The Board has adopted a Tenure Policy for all Directors, including the Chairman, which states that the Board believes that it is an advantage to have the continuous contribution of Directors over a period of time during which they are able to develop awareness and insight of the Company and thereby be able to make a valuable contribution to the Board as a whole. The Board believes that recommendations for re-election should be on an individual basis following a rigorous review which assesses the contribution made by the Director concerned and takes into account the need for regular refreshment and diversity. The Board believes that it is appropriate for a Director to serve for up to nine years following their initial election, and it is expected that Directors will stand down from the Board by the conclusion of the AGM following that period. In October 2022, the Nomination Committee considered Director tenure and noted Ms Gillian Nott would reach a nine year tenure in 2025. Ms Gillian Nott communicated her intention to step down as non-executive Director and Chair at the Company's AGM in 2025. The Nomination Committee agreed to begin the process of recruitment of a new non-executive Director in 2024 with the support of an external recruitment consultant, with a view to an appointment before the end of 2024.

## **Committees**

The Board believes that the interests of shareholders in an investment trust company are best served by limiting the size of the Board such that all Directors can participate fully in all the activities of the Board. It is for this reason that the membership of the Committees is the same as that for the Board as a whole.

Each Committee's terms of reference were last reviewed and approved by the Board on 27 October 2022 and are available to view on the Investment Manager's website at: <https://www.globalrenewablestrust.com/documents/>

# Statement of Corporate Governance continued

<b>Audit Committee</b>	<p>Mr Melville Trimble is the Chairman of the Audit Committee. Further details are given in the Report of the Audit Committee on pages 42 to 44.</p> <p>As the Company has no employees it does not need to deal with arrangements for staff to raise concerns in confidence about possible improprieties in respect of financial reporting or other matters. The Audit Committee has, however, confirmed with the Investment Manager and the administrator that they do have “whistle blowing” policies in place for their staff.</p>
<b>Nomination Committee</b>	<p>Mrs Gillian Nott is the Chairman of the Nomination Committee which operates within defined terms of reference.</p> <p>The role of the Committee is to review the Board structure, size and composition, the balance of knowledge, experience and skill ranges and to consider succession planning and tenure policy.</p> <p>Appointments of new Directors will be made on a formalised basis, with the Committee agreeing the selection criteria and the method of selection, recruitment and appointment. The services of an external search consultant may be used to identify potential candidates.</p>
<b>Remuneration Committee</b>	<p>Ms Victoria Muir is the Chairman of the Remuneration Committee which operates within defined terms of reference.</p> <p>As the Company is an investment trust and all Directors are non-executive the Company is not required to comply with the UK Code in respect of executive Directors’ remuneration. Directors’ fees are set out in the Directors’ Remuneration Report on pages 38 to 41.</p>
<b>Management Engagement Committee</b>	<p>Mrs Gillian Nott is the Chairman of the Management Engagement Committee which operates within defined terms of reference.</p> <p>The Management Engagement Committee is responsible for reviewing the performance of the Investment Manager and all the Company’s other service providers, their terms of appointment and remuneration. The Committee meets annually or more often if required.</p>

## Risk management and internal control

The UK Corporate Governance Code requires the Directors, at least annually, to review the effectiveness of the Company’s system of risk management and internal control and to report to shareholders that they have done so. This encompasses a review of all controls, which the Board has identified as including business, financial, operational, compliance and risk management.

The Directors are responsible for the Company’s system of risk management and internal controls which is designed to safeguard the Company’s assets, maintain proper accounting records and ensure that financial information used within the business, or published, is reliable. However, such a system can only be designed to manage rather than eliminate the risk of failure to achieve business objectives and therefore can only provide reasonable, but not absolute, assurance against fraud, material misstatement or loss.

The Board is primarily responsible for the monitoring and review of risks associated with investment matters and the Audit Committee is primarily responsible for other risks.

As the Board has contractually delegated to other companies the investment management, the depositary services and the day-to-day accounting and company secretarial requirements, the Company relies significantly upon the system of risk management and internal controls operated by those companies. Therefore, the Directors have concluded that the Company should not establish its own internal audit function but will review this decision annually.



# Statement of Corporate Governance continued

A risk map, or risk register, has been considered at all regular meetings of the Board and Audit Committee. The risk map sets out the principal risks identified by the Board, together with the actions taken to mitigate these risks. As part of the risk review process, regular reports are received from the Investment Manager on all investment related matters including compliance with the investment mandate, the performance of the portfolio compared with relevant indices and compliance with investment trust status requirements. The Board also receives, and reviews reports from the depositary, the broker and the company secretary on its internal controls and their operation, which are reviewed by their auditors and give assurance regarding the effective operation of controls.

The Board regularly reviews the terms of the investment management contract.

The Board confirms that appropriate procedures to review the effectiveness of the Company's system of risk management and internal control have been in place, throughout the year and up to the date of this report, which cover all controls including financial, operational and compliance controls and risk management. An assessment of risk management and internal control, which includes a review of the Company's risk map, an assessment of the quality of reports on internal control from the service providers and the effectiveness of the Company's reporting process, is carried out on an annual basis.

## **Evaluation of the Investment Manager's performance**

The investment performance is reviewed at each regular Board meeting at which representatives of the Investment Manager are required to provide answers to any questions raised by the Board. The Board has instigated an annual formal review of the Investment Manager which includes consideration of:

- performance compared with relevant indices;
- investment resources dedicated to the Company;
- investment management fee arrangements and notice period compared with the peer group; and
- the marketing effort and resources provided to the Company.

The Board believes that the Investment Manager has served the Company well in terms of investment performance and proposes to continue its appointment.

## **The Company Secretary**

The Board has direct access to the advice and services of the Company Secretary, Link Company Matters Limited, which is responsible for ensuring that Board and Committee procedures are followed and that applicable regulations are complied with. The Secretary is also responsible to the Board for ensuring timely delivery of information and reports and that statutory obligations of the Company are met.

Individual Directors may take independent professional advice on any matter concerning them in the furtherance of their duties at the Company's expense.

## **Disclosure Guidance and Transparency Rules**

Other information required to be disclosed pursuant to the Disclosure Guidance and Transparency Rules has been placed in the Directors' Report on pages 26 to 33 as it is information that refers to events which have taken place during the year.

By Order of the Board



**Melville Trimble**

Director

14 March 2023

# Directors' Remuneration Report

## Introduction

This report is prepared in accordance with Schedule 8 to The Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2015 and in accordance with the Listing Rules of the Financial Conduct Authority and the Companies Act 2006. An ordinary resolution for the approval of this report will be put to the shareholders at the forthcoming Annual General Meeting.

The Company's Remuneration Policy was last put to shareholders and approved by ordinary resolution at the Annual General Meeting held on 22 April 2020 under Section 439 of the Companies Act 2006. The Remuneration Policy, as set out on page 39, will be put to a binding shareholder vote at the 2023 AGM and if, approved, will continue in force until the Annual General Meeting in 2026. Save for presentation of the components of the Remuneration Policy in tabular format, there have been no changes to the content of the Remuneration Policy since the previous approved version.

The Company is not able to make remuneration payments to a Director, or loss of office payments to a current or past director, unless the payment is consistent with the approved policy or has otherwise been approved by the shareholders.

The law requires your Company's Auditor to audit certain of the disclosures provided. Where disclosures have been audited, they are indicated as such. The Auditor's opinion is included in their report on pages 46 to 51.

## Remuneration Committee

The Remuneration Committee comprises the whole Board, all of whom are independent. Ms Muir is the Chairman of the Remuneration Committee which operates within defined terms of reference. All Directors are non-executive, appointed under the terms of Letters of Appointment, and none has a service contract. The Company has no employees. The Company Secretary will be asked to provide advice when the Directors consider the level of Directors' fees. No professional adviser was consulted in the year for setting the level of Directors' fees.

## Directors' beneficial and family interests (audited)

There is no requirement for the Directors to hold shares in the Company. The interests of the Directors and their families in the Ordinary Shares of the Company were as follows:

	Ordinary Shares at 31 December 2022	Ordinary Shares at 31 December 2021
Gillian Nott OBE	15,000	15,000
Melville Trimble	7,893	4,869
Victoria Muir	5,641	5,641

The interests of the Directors and their families in the Ordinary Shares of the Company as at the date of this Report are as follows:

	Ordinary Shares at 14 March 2023
Gillian Nott OBE	15,000
Melville Trimble*	7,978
Victoria Muir	5,641

\*Additional shares were acquired by Melville Trimble through a Dividend reinvestment plan.

The interests of the Directors and their families in the Zero Dividend Preference Shares of the subsidiary, PMGR Securities 2025 PLC, were as follows:

	ZDP Shares at 31 December 2022	ZDP Shares at 31 December 2021
Gillian Nott OBE	—	—
Melville Trimble	4,466	4,466
Victoria Muir	5,641	5,641

# Directors' Remuneration Report continued

## Directors' remuneration policy

The Board's policy is that the remuneration of non-executive Directors should reflect the experience of the Board as a whole and be fair and comparable to that of other investment trusts that are similar in size, have a similar capital structure and have similar investment objectives. Subject to Shareholder approval, this Directors' Remuneration Policy will come into force from the Annual General Meeting in 2023 and will continue to take effect until the Company's 2026 Annual General Meeting.

The fees for the non-executive Directors are determined within the aggregate limits of £150,000 set out in the Company's Articles of Association. In addition, Directors are entitled to such fees as they may determine in respect of any extra or special services performed by them, outside the scope of their ordinary duties. An example of such a circumstance would include a corporate action, requiring additional time commitment from the Directors. The Directors are not eligible for bonuses, pension benefits, share options, long term incentive schemes or other benefits. Directors are entitled to be reimbursed for any reasonable expenses properly incurred by them in connection with the performance of their duties and attendance at Board, general and committee meetings.

No Director has a service contract. However, Directors have a Letter of Appointment. Directors do not receive exit payments and are not provided with any compensation for loss of office. Copies of the Letters of Appointment are available for inspection at the registered office of the Company. Directors' and officers' insurance is maintained and paid for by the Company on behalf of the Directors.

The components of the remuneration package for non-executive Directors, which are comprised in the Directors' Remuneration Policy of the Company, are set out below with a description and approach to determination:

<b>Remuneration Type – Fixed Fees</b>	<p>The fees for the Board as a whole are limited to £150,000 per annum, in accordance with the Articles of Association, divided between the Directors as they may determine.</p> <p>Annual fees are set to reflect the experience of each Board member and the time commitment required to carry out their duties and is determined with reference to the appointment of Directors of similar investment companies.</p> <p>Directors do not participate in discussions relating to their own fee.</p>
<b>Remuneration Type – Expenses and Additional Fees</b>	<p>Pursuant to the Articles of Association, additional fees may be paid to any Director who fulfils the role of Chair of the Board or who serves as Chair of any Committee of the Directors as the Directors may determine. Such fees will be set at a competitive level to reflect experience and time commitment.</p> <p>Board members are entitled to such fees as they may determine in respect of any extra or special services performed by them outside the scope of their ordinary duties as a Director, having been called upon to do so. Such fees would be determined at the Board's absolute discretion and would be set at similar rate to other comparable investment companies who have undertaken equivalent activities.</p>
<b>Remuneration Type – Other</b>	<p>Board members are not eligible for bonuses, pension benefits, share options, long term incentives or other non-cash benefits or taxable expenses.</p>

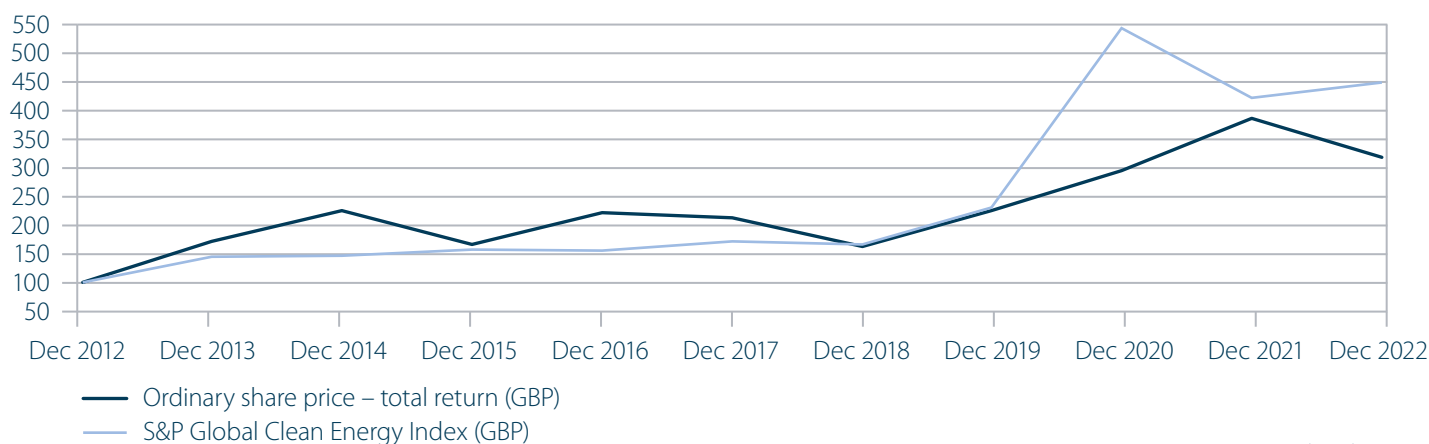
# Directors' Remuneration Report continued

## Your Company's performance

For the purposes of this report the Board is required to select an index against which the Company's performance can be measured. The Board has decided it should be the S&P Global Clean Energy Index.

The graph below shows the ten-year total return (assuming all dividends are reinvested) to Ordinary Shareholders against the S&P Global Clean Energy Index on a total return basis, restated in GBP, from 31 December 2012 to 31 December 2022.

### Ten year total return share price performance (rebased to 100)



## Annual Report on Remuneration

### Directors' emoluments for the year (audited)

The Directors who served in the year received the following emoluments in the form of fees and expenses:

	Fees Year ended 31 December 2022 £	Expenses Year ended 31 December 2022 £	Total Year ended 31 December 2022 £	Fees Year ended 31 December 2021 £	Expenses Year ended 31 December 2021 £	Total Year ended 31 December 2021 £
Gillian Nott OBE	29,500	43	29,543	27,500	135	27,635
Melville Trimble	24,375	487	24,862	21,875	547	22,422
Victoria Muir	21,500	283	21,783	19,500	120	19,620
Total	75,375	813	76,188	68,875	802	69,677

Since 1 April 2022, the Chairman received a fee of £30,000 per annum, the Chairman of the Audit Committee received a fee of £25,000 per annum and the other Director received a fee of £22,000 per annum. There were no payments to third parties included in the fees referred to in the table above. There are no further fees to disclose as the Company has no employees, chief executives or executive directors.

At the Remuneration Committee meeting on 1 March 2023, the members reviewed the Directors' fees against other investment trusts of a similar size and sector. In order for the fees to be competitive the Committee resolved that, effective 1 April 2023, the Chairman will receive a fee of £31,500 per annum, the Chairman of the Audit Committee £26,250 and other Directors £23,100 per annum.

### Expected fees for the year to 31 December 2023 £

Chairman	31,500
Chair of the Audit Committee	26,250
Non-executive Director	23,100

# Directors' Remuneration Report continued

## Annual percentage change in Directors' remuneration

The following table sets out the annual percentage change in Directors' fees for the previous three years to 31 December 2022.

Director	% from 2021 to 2022	% from 2020 to 2021	% from 2019 to 2020
Gill Nott (Chairman)	<b>7.3%</b>	5.8%	0.0%
Melville Trimble* (Audit Committee Chair)	<b>11.4%</b>	9.4%	—
Victoria Muir	<b>10.3%</b>	8.3%	0.0%

\*Appointed 25 April 2019.

## Relative Importance of Spend on Remuneration

To enable shareholders to assess the relative importance of spend on pay, this has been shown in the table below compared with the management fee and dividend distributions. As the Company has no employees, no consideration is required to be given to employment conditions elsewhere in setting Directors' pay.

For the year ended 31 December	2022 £000	2021 £000	Change £000
Spend on Directors' fees <sup>1</sup>	<b>75</b>	69	6
Management fee and other expenses <sup>2</sup>	<b>802</b>	739	63
Dividend payments	<b>1,276</b>	1,447	(171)

1 As the Company has no employees, the total spent on remuneration comprises fees and taxable benefits paid to Directors.

2 The items listed in the table above are as required by the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013 ss.20 with the exception of the management fee and other expenses, which have been included because the Directors believe it will help shareholders' understanding of the relative importance of the amount spent on pay. The figures for this measure are the same as those shown in notes 3 and 4 of the financial statements.

## Voting at last Annual General Meeting

The Directors' Remuneration Report for the year ended 31 December 2021 was approved by shareholders at the Annual General Meeting of the Company held on 28 April 2022. The Directors' Remuneration Policy was approved by shareholders at the Annual General Meeting of the Company held on 22 April 2020. The votes cast in respect of the resolutions were:

Year	Resolution	For	%	Against	%	Withheld
2022	Approve the Directors' Remuneration Report	<b>1,585,870</b>	<b>96.25</b>	<b>61,851</b>	<b>3.75</b>	<b>12,959</b>
2020	Approve the Remuneration Policy	<b>4,156,158</b>	<b>98.97</b>	<b>43,273</b>	<b>1.03</b>	<b>53,702</b>

The Remuneration Policy will be put to shareholders for approval at the Company's AGM in 2023.

## Approval

An ordinary resolution for the approval of the Directors' Remuneration Report for the year ended 31 December 2022 and a binding ordinary resolution for the approval of the Directors' Remuneration Policy will be proposed at the forthcoming Annual General Meeting. Shareholders have the opportunity to express their views and raise any questions in respect of remuneration at this meeting.

In the event that there was a substantial vote against any resolution proposed at the Annual General Meeting, the reasons for any such vote would be sought and appropriate action taken. Should the vote be against resolutions in relation to the Directors' remuneration, further details will be provided in future Directors' Remuneration Reports.

By Order of the Board



**Victoria Muir**

Chair of the Remuneration Committee

Signed on behalf of the Board of Directors

14 March 2023



# Audit Committee Report

As Chairman of the Audit Committee, I am pleased to present the report of the Audit Committee for the year ended 31 December 2022.

## Composition

The composition and summary terms of reference of the Audit Committee are set out on page 36. The Audit Committee comprises the whole Board, all of whom are independent. The Association of Investment Companies Code of Corporate Governance states that the Chairman of the Board should not chair the Committee but can be a member if they were independent on appointment. The Chairman of the Company is a member of the Committee to bring the benefit of her knowledge and experience to the discussions and to ensure she is fully informed of any issues which may arise.

The Directors' biographies are given on page 14 and the Board considers that at least one member of the Committee has competence in accounting and/or auditing and the Committee as a whole has competence relevant to the sector in which the Company operates.

## Activities

The Audit Committee met in July 2022 and considered the form and content of the Company's half year report to 30 June 2022 and met again in October 2022 to review the audit planning proposal from KPMG LLP for the 2022 audit and the terms of their engagement letter.

The Audit Committee met again in March 2023 and reviewed the outcome of the audit work and the final draft of the financial statements for the year ended 31 December 2022. During this review the Audit Committee met with representatives of both the Investment Manager and the Administrator and sought assurances where necessary. The external Auditor attended the year-end Audit Committee meeting and presented a report on the audit findings.

The Audit Committee reviewed the key risks of the Company and the internal control framework operating to control risk. The Audit Committee examined the risks to the Company and analysed the impact and likelihood of all of those risks. A list is maintained where the combination of impact and likelihood represents a material threat and those will be monitored closely.

The Audit Committee met with the Investment Manager's Head of Legal and Compliance and Chief Risk Officer and received updates on the structure of both functions and their approach to risk, compliance and internal controls in respect of the Company.

The Audit Committee also considered the need for the Company to have its own internal audit function and agreed this was not necessary for the Company. The Audit Committee receives and reviews updates from the Investment Manager in respect of their internal audit reports relevant to the Company.

## Non-audit services

Contracts for non-audit services must be notified to the Audit Committee who consider any such engagement in the light of the requirement to maintain audit independence. No other services are provided by the Auditor and it is the Company's policy not to seek substantial non-audit services from its Auditor.

During the year the value of non-audit services provided by KPMG LLP amounted to £nil (31 December 2021: £nil).

## Auditor and audit tenure

Following a competitive tender process in 2017 KPMG LLP were appointed as the Company's external auditor for the year ended 31 December 2017. In accordance with the Financial Reporting Council's Revised Ethical Standard 2019, the audit partner rotated in 2022 and Bano Sheikh was appointed as audit partner for the Company.

The Company will put the external audit out to tender at least every ten years, and change auditors at least every twenty years. The Company will put the audit out to tender for the 2027-year end. The Committee will, however, continue to consider annually the need to go to tender for audit quality, independence or other reasons.

# Audit Committee Report continued

## Cyber security

Cyber security is an increasing threat to all businesses and the finance sector was cybercrime's biggest victim. The Committee takes this seriously and request that service providers provide their security policies and reports, including assurance reports in respect of internal controls, in order for the Audit Committee to assess any potential risks to the Company and to gain as much comfort as possible to this growing threat.

## Significant issues for the Audit Committee

The Audit Committee identified the following significant issues:

1. ***Risks around the existence and valuation of the investments.***
2. ***The accuracy of the calculation of management fees***
3. ***The risk that income is overstated, incomplete or inaccurate through failure to recognise proper income entitlements or to apply the appropriate accounting treatment for recognition of income.***
4. ***Management override of controls.***

The Committee concluded that suitable procedures had been implemented to obtain reasonable assurance that the Financial Statements as a whole would be free of material misstatements. Specifically with reference to the highlighted issues, the Committee's main responsibilities during the year were:

1. The Company's assets are principally invested in listed equities. The Committee reviewed internal control reports from the Investment Manager in the year reporting on the systems and controls around the pricing and valuation of securities. As more fully explained in note 1(h) on page 59 at the year ended 31 December 2022 the Committee agreed that the fair value of investments is the bid market price for listed investments. The Committee also agreed that the valuation of the unquoted investment together with the wholly-owned subsidiary, PMGR Securities 2025 PLC valued at £50,000 at 31 December 2022, is appropriate. All unquoted investments are subject to review both by the Investment Manager, the Audit Committee and the Auditor.
2. The investment management fee is calculated in accordance with the contractual terms in the investment management agreement by the administrator.
3. The Board regularly reviews income forecasts and receives explanations from the Investment Manager and administrator for any variations or significant movements from previous forecasts and prior year figures.
4. The Audit Committee reviews terms of agreement with service providers, Premier Fund Managers Limited, Premier Portfolio Managers Limited and Northern Trust, to confirm their independence from the Company. They assess the ability of any member of the Investment Manager or Board to circumvent controls to fraudulently alter company financial results or undertake fraudulent transactions.

## Financial statements

These financial statements have been prepared under UK-adopted international accounting standards and applicable law.

The Audit Committee meets at least three times a year and is responsible for reviewing the annual and half yearly reports, the nature and scope of the external audit and the findings thereon, and the terms of appointment of the Auditor, including their remuneration and the provision of any non-audit services by them. The Audit Committee has considered the independence of the Auditor and the objectivity of the audit process and is satisfied that KPMG LLP is independent and has fulfilled its obligations to shareholders. The Audit Committee has satisfied itself as to the Auditor's effectiveness, objectivity, independence and the competitiveness of its fees before recommending their reappointment at the Annual General Meeting. To comply with current legislation, the Company will review the option to re-tender the external audit on a regular basis.

The Audit Committee meets representatives of the Investment Manager and its Compliance Officer who report as to the proper conduct of business in accordance with the regulatory environment in which both the Company and the Investment Manager operate and reviews the Investment Manager's internal controls. The Group's external Auditor also attends this Committee at its request and report on their findings in relation to the Group's statutory audit.

## Audit Committee Report continued

As part of the day-to-day controls of the Group there are regular reconciliations between the accounting records and the records kept by the depositary of the assets they safeguard which are owned by the Group. During the year and at the year-end there were no matters brought to light which call in to question that the key controls in this area were not working, or that the existence of assets recorded in the books of account are not held in safe custody.

In finalising the financial statements for recommendation to the Board for approval the Committee has considered whether the going concern principle is appropriate (as described on page 29) and concluded that it is. The Audit Committee has also satisfied itself that the Annual Report and financial statements taken as a whole are fair, balanced and understandable, and provide the information necessary for shareholders to assess the Group's performance, business model and strategy. All of the above were satisfactorily addressed through consideration of reports provided by, and discussed with, the Investment Manager and the Auditor. The Board as a whole have approved the conclusions arrived at by the Audit Committee as disclosed on page 45 Statement of Directors' Responsibilities in respect of the Annual Report and the financial statements.



**Melville Trimble**

Chair of the Audit Committee

14 March 2023

# Statement of Directors' Responsibilities in Respect of the Annual Report and the Financial Statements

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

Company law requires the Directors to prepare Group and Parent Company financial statements for each financial year. Under that law they are required to prepare the Group financial statements in accordance with UK-adopted international accounting standards and applicable law and have elected to prepare the Parent Company financial statements on the same basis.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Parent Company and of the Group's profit or loss for that period. In preparing each of the Group and Parent Company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with UK-adopted international accounting standards;
- assess the Group and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the Parent Company or to cease operations or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that complies with that law and those regulations.

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

In accordance with Disclosure Guidance and Transparency Rule 4.1.14R, the financial statements will form part of the annual financial report prepared using the single electronic reporting format under the TD ESEF Regulation. The auditor's report on these financial statements provides no assurance over the ESEF format.

## **Responsibility of the Directors in respect of the annual financial report**

We confirm to the best of our knowledge:

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and
- the strategic report includes a fair review of the development and performance of the business and the position of the issuer, and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

We consider the Annual Report and Accounts, taken as a whole, is fair, balanced, and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

For and on behalf of the Board



**Gillian Nott OBE**  
Chairman

14 March 2023



# Independent auditor's report

## to the members of Premier Miton Global Renewables Trust plc

### 1. Our opinion is unmodified

We have audited the financial statements of Premier Miton Global Renewables Trust plc ("the Company") for the year ended 31 December 2022 which comprise the Group Income Statement, Consolidated and Company Balance Sheets, Consolidated and Company Statements of Changes in Equity, Consolidated and Company Cashflow Statements and the related notes, including the accounting policies in note 1.

#### In our opinion:


- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2022 and of the Group's return for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with UK-adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion. Our audit opinion is consistent with our report to the audit committee.

We were first appointed as auditor by the directors on 13 November 2017. The period of total uninterrupted engagement is for the six financial years ended 31 December 2022. We have fulfilled our ethical responsibilities under, and we remain independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed public interest entities. No non-audit services prohibited by that standard were provided.

#### Overview

<b>Materiality:</b>	£488k (2021:£535k)
group financial statements as a whole	1% (2021: 1%) of Total assets
<b>Coverage</b>	100% (2021:100%) of group total assets
<b>Key audit matter</b>	<b>vs 2021</b>
<b>Recurring risk</b>	Carrying amount of quoted investments 



## 2. Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. We summarise below the key audit matter (unchanged from 2021), in arriving at our audit opinion above, together with our key audit procedures to address this matter and, as required for public interest entities, our results from those procedures. This matter was addressed, and our results are based on procedures undertaken, in the context of, and solely for the purpose of, our audit of the financial statements as a whole, and in forming our opinion thereon, and consequently are incidental to that opinion, and we do not provide a separate opinion on this matter.

	The risk	Our response
<p><b>Carrying amount of quoted investments -</b></p> <p><b>(Group and Parent Company Key Audit Matter)</b></p> <p>(£48.1 million; 2021: £52.7 million)</p> <p><i>Refer to page 43 (Audit Committee Report), pages 59 and 60 (accounting policy) and note 8 and note 21(g) on page 64 and 73 respectively (financial disclosures).</i></p>	<p><b>Low risk, high value</b></p> <p>The Group's portfolio of quoted level 1 investments makes up 98.4% (2021: 98.4%) of the Group's total assets (by value) and is considered to be one of the key drivers of results. We do not consider these investments to be at a high risk of significant misstatement, or to be subject to a significant level of judgement because they comprise liquid, quoted investments. However, due to their materiality in the context of the financial statements as a whole, they are considered to be one of the areas which had the greatest effect on our overall audit strategy and allocation of resources in planning and completing our audit.</p>	<p>We performed the tests below rather than seeking to rely on any of the Group's controls, because the nature of the balance is such that detailed testing is determined to be the most effective manner of obtaining audit evidence.</p> <p>Our procedures included:</p> <p>—<b>Test of detail:</b> Agreeing the valuation of 100% of level 1 quoted investments in the portfolio to externally quoted prices; and</p> <p>—<b>Enquiry of custodian:</b> Agreeing 100% of level 1 quoted investment holdings in the portfolio to independently received third party confirmation from investment custodian.</p> <p><b>Our results</b></p> <p>We found the carrying amount of quoted level 1 investments to be acceptable (2021: acceptable).</p>

### 3. Our application of materiality and an overview of the scope of our audit

Materiality for the Group financial statements as a whole was set at £488k (2021: £535k), determined with reference to a benchmark of Group total assets, of which it represents 1% (2021: 1%).

In line with our audit methodology, our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the financial statements as a whole.

Performance materiality was set at 75% (2021: 75%) of materiality for the financial statements as a whole, which equates to £366k (2021: £401k). We applied this percentage in our determination of performance materiality because we did not identify any factors indicating an elevated level of risk.

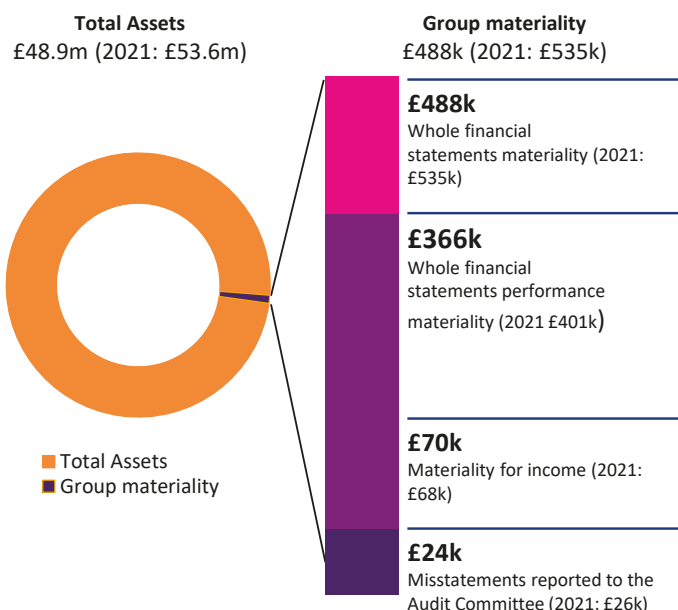
Materiality for the Parent Company financial statements as a whole was set at £463k (2021: £508k). This is lower than the materiality we would otherwise have determined with reference to Parent Company total assets, of which it represents 0.95% of the Parent Company total assets (2021: 0.95%). Performance materiality was set at 75% (2021: 75%) of materiality for the financial statements as a whole, which equates to £347k (2021: £381k). We applied this percentage in our determination of performance materiality because we did not identify any factors indicating an elevated level of risk.

In addition, we applied materiality of £70k (2021: £68k) and performance materiality of £53k (2021: £51k) to income (as disclosed in note 2) for which we believe misstatements of lesser amounts than materiality for the financial statements as a whole could reasonably be expected to influence Company's members' assessment of the financial performance of the Group.

We agreed to report to the Audit Committee any corrected or uncorrected identified misstatements exceeding £24k (2021: 26k) for the Group, £23k (2021: £25k) for the Parent Company, and £3k (2021: £6k) in relation to income, in addition to other identified misstatements that warranted reporting on qualitative grounds.

Of the group's 2 (2021: 2) reporting components, we subjected 2 (2021: 2) to full scope audits for group purposes. The audit was performed using the materiality and performance materiality level set out above.

The scope of the audit work performed was fully substantive as we did not rely upon the Group's internal control over financial reporting.



### 4. Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Company or to cease their operations, and as they have concluded that the Group's and the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We used our knowledge of the Group and Company, its industry, and the general economic environment to identify the inherent risks to its business model and analysed how those risks might affect the Group's and Company's financial resources or ability to continue operations over the going concern period. The risks that we considered most likely to adversely affect the Group's and Company's available financial resources over its ability to operate over this period were :

- the impact of a significant reduction in the valuation of investments;
- the liquidity of the investment portfolio and its ability to meet the liabilities of the Group and Company as and when they fall due; and
- the operational resilience of key service organisations.

We considered whether these risks could plausibly affect the liquidity in the going concern period by assessing the degree of downside assumption that, individually and collectively, could result in a liquidity issue, taking into account the Group's and Company's current and projected cash and liquid investment position (and the results of a reverse stress test).

#### 4. Going concern (continued)

We considered whether the going concern disclosure in note 1.1 (a) to the financial statements gives a full and accurate description of the directors' assessment of going concern, including the identified risks and related sensitivities.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group's or Company's ability to continue as a going concern for the going concern period;
- we have nothing material to add or draw attention to in relation to the directors' statement in note 1.1(a) to the financial statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Group and Company's use of that basis for the going concern period, and we found the going concern disclosure in note 1.1(a) to be acceptable; and
- the related statement under the Listing Rules set out on page 29 is materially consistent with the financial statements and our audit knowledge.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the Company will continue in operation.

#### 5. Fraud and breaches of laws and regulations – ability to detect

##### *Identifying and responding to risks of material misstatement due to fraud*

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors as to the Group's and Company's high-level policies and procedures to prevent and detect fraud and as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Assessing the segregation of duties in place between the Directors, the Administrator and the Group and Company's Investment Manager; and
- Reading Board and Audit Committee meeting minutes.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. We evaluated the design and implementation of the controls over journal entries and other adjustments and made inquiries of the Administrator about inappropriate or unusual activity relating to the processing of journal entries and other adjustments. We identified and selected a sample of journal entries made at the end of the reporting period and tested those substantively including all material post closing entries. Based on the results of our risk assessment procedures and understanding of the process, including the segregation of duties between the Directors and the Administrator, no further high-risk journal entries or other adjustments were identified.

On this audit we have rebutted the fraud risk related to revenue recognition because the revenue is non judgemental and straightforward, with limited opportunity for manipulation. We did not identify any significant unusual transaction or additional fraud risks.

##### *Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations*

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors, the Investment Manager and the Administrator (as required by auditing standards), and discussed with the directors the policies and procedures regarding compliance with laws and regulations. As the Group is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, and Parent Company's qualification as an Investment Trust under UK taxation legislation, any breach of which could lead to the Company losing various deductions and exemptions from UK corporation tax, and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

We assessed the legality of the distributions made by the Company in the period based on comparing the dividends paid to the distributable reserves prior to each distribution, including consideration of interim accounts filed during the year.

## 5. Fraud and breaches of laws and regulations – ability to detect (continued)

### *identifying and responding to risks of material misstatement due to non-compliance with laws and regulations (continued)*

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: money laundering, data protection, bribery and corruption legislation and certain aspects of company legislation recognising the financial and regulated nature of the Group's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and the Administrator and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

### *Context of the ability of the audit to detect fraud or breaches of law or regulation*

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

## 6. We have nothing to report on the other information in the Annual Report

The directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

### *Strategic report and directors' report*

Based solely on our work on the other information:

- we have not identified material misstatements in the Strategic report and the Directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

### *Directors' remuneration report*

In our opinion the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

### *Disclosures of emerging and principal risks and longer-term viability*

We are required to perform procedures to identify whether there is a material inconsistency between the directors' disclosures in respect of emerging and principal risks and the viability statement, and the financial statements and our audit knowledge.

Based on those procedures, we have nothing material to add or draw attention to in relation to:

- the directors' confirmation within the viability statement on pages 16 and 17 that they have carried out a robust assessment of the emerging and principal risks facing the Group, including those that would threaten its business model, future performance, solvency and liquidity;
- the Emerging and Principal Risks disclosures describing these risks and how emerging risks are identified, and explaining how they are being managed and mitigated; and
- the directors' explanation in the viability statements of how they have assessed the prospects of the Group, over what period they have done so and why they considered that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

We are also required to review the viability statement, set out on pages 16 and 17 under the Listing Rules. Based on the above procedures, we have concluded that the above disclosures are materially consistent with the financial statements and our audit knowledge.



## 6. We have nothing to report on the other information in the Annual Report (continued)

### *Disclosures of emerging and principal risks and longer-term viability*

Our work is limited to assessing these matters in the context of only the knowledge acquired during our financial statements audit. As we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of anything to report on these statements is not a guarantee as to the Group's and Company's longer-term viability.

### *Corporate governance disclosures*

We are required to perform procedures to identify whether there is a material inconsistency between the directors' corporate governance disclosures and the financial statements and our audit knowledge.

Based on those procedures, we have concluded that each of the following is materially consistent with the financial statements and our audit knowledge:

- the directors' statement that they consider that the annual report and financial statements taken as a whole is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy;
- the section of the annual report describing the work of the Audit Committee, including the significant issues that the audit committee considered in relation to the financial statements, and how these issues were addressed; and
- the section of the annual report that describes the review of the effectiveness of the Group's risk management and internal control systems.

We are required to review the part of the Corporate Governance Statement relating to the Group's compliance with the provisions of the UK Corporate Governance Code specified by the Listing Rules for our review. We have nothing to report in this respect.

## 7. We have nothing to report on the other matters on which we are required to report by exception

Under the Companies Act 2006, we are required 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 and the part of the Directors' Remuneration Report to be audited 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.

We have nothing to report in these respects.

## 8. Respective responsibilities

### *Directors' responsibilities*

As explained more fully in their statement set out on page 45, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

### *Auditor's responsibilities*

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

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

The Company is required to include these financial statements in an annual financial report prepared using the single electronic reporting format specified in the TD ESEF Regulation. This auditor's report provides no assurance over whether the annual financial report has been prepared in accordance with that format.

## 9. The purpose of our audit work and to whom we owe our responsibilities

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.



**Bano Sheikh (Senior Statutory Auditor)**

**for and on behalf of KPMG LLP, Statutory Auditor**

*Chartered Accountants*

15 Canada Square  
Canary Wharf  
London  
E14 5GL  
United Kingdom  
14 March 2023



# Group Income Statement

for the financial year ended 31 December 2022

	Notes	Year ended 31 December 2022			Year ended 31 December 2021		
		Revenue £000	Capital £000	Total £000	Revenue £000	Capital £000	Total £000
(Losses)/gains on investments held at fair value through profit or loss	8	–	(4,466)	(4,466)	–	7,469	7,469
(Losses)/gains on forward currency contracts	13	–	(726)	(726)	–	405	405
Gains/(losses) on foreign exchange		7	278	285	(2)	(42)	(44)
Income	2	2,033	–	2,033	1,969	–	1,969
Investment management fee	3	(158)	(237)	(395)	(141)	(211)	(352)
Other expenses	4	(482)	–	(482)	(456)	–	(456)
Reconstruction costs	4	–	–	–	–	(43)	(43)
<b>(Loss)/profit before finance costs and taxation</b>		<b>1,400</b>	<b>(5,151)</b>	<b>(3,751)</b>	<b>1,370</b>	<b>7,578</b>	<b>8,948</b>
Finance costs	5	–	(750)	(750)	–	(714)	(714)
<b>(Loss)/profit before taxation</b>		<b>1,400</b>	<b>(5,901)</b>	<b>(4,501)</b>	<b>1,370</b>	<b>6,864</b>	<b>8,234</b>
Taxation	6	(70)	(18)	(88)	(18)	–	(18)
<b>(Loss)/profit for the year</b>		<b>1,330</b>	<b>(5,919)</b>	<b>(4,589)</b>	<b>1,352</b>	<b>6,864</b>	<b>8,216</b>
<b>(Loss)/return per Ordinary share (pence) - basic</b>	18	<b>7.29</b>	<b>(32.45)</b>	<b>(25.16)</b>	<b>7.43</b>	<b>37.71</b>	<b>45.14</b>

The total column of this statement represents the Group's profit or loss, prepared in accordance with International Financial Reporting Standards (IFRSs).

As the Parent of the Group, the Company has taken advantage of the exemption not to publish its own separate Income Statement as permitted by the Companies Act 2006. The Company's total comprehensive loss for the year ended 31 December 2022 was £4,589,000 (2021: profit of £8,216,000).

The supplementary revenue and capital columns are prepared under guidance published by the Association of Investment Companies ("AIC").

All items derive from continuing operations; the Group does not have any other recognised gains or losses.

All income is attributable to the equity holders of the Company. There are no minority interests.

The notes on pages 57 to 75 form part of these financial statements.

# Consolidated and Company Balance Sheets

as at 31 December 2022

	Notes	Group 2022 £000	Company 2022 £000	Group 2021 £000	Company 2021 £000
<b>Non current assets</b>					
Investments held at fair value through profit or loss	8	48,117	48,167	52,694	52,794
<b>Current assets</b>					
Debtors	10	214	214	189	189
Forward foreign exchange contracts	13	–	–	117	117
Cash at bank		546	546	562	562
		760	760	868	868
<b>Total assets</b>		<b>48,877</b>	<b>48,927</b>	53,562	53,662
<b>Current liabilities</b>					
Other creditors	11	(191)	(191)	(162)	(162)
Forward foreign exchange contracts	13	(401)	(401)	–	–
Intercompany payable	11	–	–	–	(50)
		(592)	(592)	(162)	(212)
<b>Total assets less current liabilities</b>		<b>48,285</b>	<b>48,335</b>	53,400	53,450
<b>Non-current liabilities:</b>					
<b>amounts falling due after more than one year</b>					
Zero Dividend Preference Shares	12	(15,740)	–	(14,990)	–
Intercompany payable	12	–	(15,790)	–	(15,040)
<b>Net assets</b>		<b>32,545</b>	<b>32,545</b>	38,410	38,410
<b>Equity attributable to Ordinary Shareholders</b>					
Share capital	14	183	183	183	183
Share premium	15	8,961	8,961	8,961	8,961
Redemption reserve		88	88	88	88
Capital reserve	16	14,609	14,609	20,528	20,528
Special reserve		7,472	7,472	7,472	7,472
Revenue reserve		1,232	1,232	1,178	1,178
<b>Total equity attributable to Ordinary Shareholders</b>		<b>32,545</b>	<b>32,545</b>	38,410	38,410
<b>Net asset value per Ordinary Share (pence)</b>	19	<b>178.44</b>	<b>178.44</b>	210.60	210.60

The financial statements on pages 52 to 75 of Premier Miton Global Renewables Trust PLC, company number 04897881, were approved by the Board and authorised for issue on 14 March 2023 and were signed on its behalf by:



**Gillian Nott OBE**  
Chairman

The notes on pages 57 to 75 form part of these financial statements.

# Consolidated Statement of Changes in Equity

for the financial year ended 31 December 2022

	Notes	Ordinary share capital £000	Share premium reserve £000	Redemption reserve £000	Capital reserve* £000	Special reserve** £000	Revenue reserve** £000	Total £000
<b>For the year ended 31 December 2022</b>								
Balance at 31 December 2021		183	8,961	88	20,528	7,472	1,178	38,410
(Loss)/profit for the year		–	–	–	(5,919)	–	1,330	(4,589)
Ordinary dividends paid	7	–	–	–	–	–	(1,276)	(1,276)
<b>Balance at 31 December 2022</b>		<b>183</b>	<b>8,961</b>	<b>88</b>	<b>14,609</b>	<b>7,472</b>	<b>1,232</b>	<b>32,545</b>

	Notes	Ordinary share capital £000	Share premium reserve £000	Redemption reserve £000	Capital reserve* £000	Special reserve** £000	Revenue reserve** £000	Total £000
<b>For the year ended 31 December 2021</b>								
Balance at 31 December 2020		181	8,701	88	13,664	7,472	1,273	31,379
Issue of Ordinary shares		2	260	–	–	–	–	262
Profit for the year		–	–	–	6,864	–	1,352	8,216
Ordinary dividends paid	7	–	–	–	–	–	(1,447)	(1,447)
<b>Balance at 31 December 2021</b>		<b>183</b>	<b>8,961</b>	<b>88</b>	<b>20,528</b>	<b>7,472</b>	<b>1,178</b>	<b>38,410</b>

\* Distributable for the purpose of redemption of shares.

\*\* Distributable reserves.

The notes on pages 57 to 75 form part of these financial statements.

# Company Statement of Changes in Equity

for the financial year ended 31 December 2022

	Notes	Ordinary share capital £000	Share premium reserve £000	Redemption reserve £000	Capital reserve* £000	Special reserve** £000	Revenue reserve** £000	Total £000
<b>For the year ended</b>								
<b>31 December 2022</b>								
Balance at 31 December 2021		183	8,961	88	20,528	7,472	1,178	38,410
(Loss)/profit for the year		–	–	–	(5,919)	–	1,330	(4,589)
Ordinary dividends paid	7	–	–	–	–	–	(1,276)	(1,276)
<b>Balance at 31 December 2022</b>		<b>183</b>	<b>8,961</b>	<b>88</b>	<b>14,609</b>	<b>7,472</b>	<b>1,232</b>	<b>32,545</b>

	Notes	Ordinary share capital £000	Share premium reserve £000	Redemption reserve £000	Capital reserve* £000	Special reserve** £000	Revenue reserve** £000	Total £000
<b>For the year ended</b>								
<b>31 December 2021</b>								
Balance at 31 December 2020		181	8,701	88	13,664	7,472	1,273	31,379
Issue of Ordinary shares		2	260	–	–	–	–	262
Profit for the year		–	–	–	6,864	–	1,352	8,216
Ordinary dividends paid	7	–	–	–	–	–	(1,447)	(1,447)
<b>Balance at 31 December 2021</b>		<b>183</b>	<b>8,961</b>	<b>88</b>	<b>20,528</b>	<b>7,472</b>	<b>1,178</b>	<b>38,410</b>

\* Distributable for the purpose of redemption of shares.

\*\* Distributable reserves.

The notes on pages 57 to 75 form part of these financial statements.

# Consolidated and Company Cashflow Statements

for the financial year ended 31 December 2022

	Group Year ended 31 December 2022 £000	Company Year ended 31 December 2022 £000	Group Year ended 31 December 2021 £000	Company Year ended 31 December 2021 £000
<b>(Loss)/profit before taxation</b>	<b>(4,501)</b>	<b>(4,501)</b>	8,234	8,234
<b>Adjustments for</b>				
Finance costs	750	750	714	714
Losses/(gains) on investments held at fair value through profit or loss	4,466	4,466	(7,469)	(7,469)
Losses/(gains) on forward foreign exchange contracts	726	726	(405)	(405)
(Gains)/losses on foreign exchange	(285)	(285)	44	44
Decrease/(increase) in other receivables	12	12	(5)	(5)
Increase/(decrease) in other payables	29	(21)	(31)	(31)
Overseas taxation paid	(125)	(125)	(61)	(61)
<b>Net cash flow from operating activities</b>	<b>1,072</b>	<b>1,022</b>	1,021	1,021
<b>Investing activities</b>				
Purchases of investments	(19,417)	(19,417)	(18,371)	(18,371)
Proceeds from sales of investments	19,528	19,578	18,298	18,298
Cash flows from forward foreign exchange contracts	(208)	(208)	482	482
<b>Net cash flow from investing activities</b>	<b>(97)</b>	<b>(47)</b>	409	409
<b>Financing activities</b>				
Proceeds from issue of Ordinary Shares	–	–	262	262
Dividends paid	(1,276)	(1,276)	(1,447)	(1,447)
<b>Net cash flow from financing activities</b>	<b>(1,276)</b>	<b>(1,276)</b>	(1,185)	(1,185)
(Decrease)/increase in cash and cash equivalents	(301)	(301)	245	245
Gains/(losses) on foreign exchange	285	285	(44)	(44)
Cash and cash equivalents, beginning of the year	562	562	361	361
<b>Cash and cash equivalents at end of the year</b>	<b>546</b>	<b>546</b>	562	562

The notes on pages 57 to 75 form part of these financial statements.

# Notes to the Financial Statements

for the financial year ended 31 December 2022

## 1. ACCOUNTING POLICIES

### 1.1 Principal accounting policies adopted by the Company

#### (a) Basis of preparation

The financial statements of the Group and Company have been prepared in accordance with UK-adopted International Accounting Standards. These comprise standards and interpretations of the International Accounting Standards and Standing Interpretations Committee as approved by the International Accounting Standards Committee ("IASC") that remain in effect.

The Directors believe that having considered the Company's investment objectives (shown on page 1), risk management policies and procedures (pages 69 to 75), nature of portfolio and income and expense projections, that the Company has adequate resources, an appropriate financial structure and suitable management arrangements in place to continue in operational existence for a period of at least 12 months from the date these financial statements were approved.

Specifically, the Directors have taken into account:

- The shareholder approval at the AGM held in April 2020 to continue the Company's life until 2025.
- The refinancing of the ZDP Shares to November 2025.
- The reduction in gearing seen since the continuation vote in April 2020, following overall net positive investment performance and a smaller ZDP shares issue from November 2020.
- That aside from ZDP Shares, the Company has no significant liabilities.
- The Company's assets consist of readily realisable securities.
- The Company's operating costs are well covered by revenue income.
- Cash flows are closely matched to income and the company carries no material receivable balances.
- There is no litigation or other disputes outstanding against the Company.
- The Company maintains an adequate cash balance to manage its affairs in an orderly manner. The Portfolio consists of liquid securities which can be realised to generate additional cash balances if required.
- The Company, its Fund Manager, and all main service providers have switched, when required by law or regulation, to working from home during the lockdown conditions existing during 2021 and into 2022. No significant operational impacts have been noted resulting from this change of working practice.
- The Company's investment policy is to invest in renewable energy and other sustainable infrastructure. The Directors believe this is a relatively low risk area of equity investment with highly contracted revenue streams and policy support from Governments.

In taking these considerations into account, the Directors have also considered plausible downside scenarios as set out below:

- A material fall in equity markets caused by increases in interest rates. The Company's investments may be subject to higher financial costs and adverse movements in valuation metrics as a result.
- The impact of higher inflation on the ability of investments held to maintain their earnings in real terms.
- The volatility of energy and other relevant commodity prices which may result in changes to revenues in portfolio companies.

For these reasons, the Directors consider that the use of the going concern basis is appropriate.



# Notes to the Financial Statements continued

## 1. ACCOUNTING POLICIES continued

The financial statements have also been prepared in accordance with the Statement of Recommended Practice ("SORP") 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' issued by the Association of Investment Companies ("AIC") in November 2014 (and updated in July 2022 ) where the SORP is consistent with IFRSs.

There were no new standards or interpretations effective for the first time for periods beginning on or after 1 January 2022.

### **(b) Basis of consolidation**

The consolidated financial statements are made up to 31 December each year and incorporate the financial statements of the Company and its wholly-owned subsidiary, PMGR Securities 2025 PLC. Subsidiaries are consolidated from the date of their acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of subsidiaries used in the preparation of the Consolidated Financial Statements are based on consistent accounting policies. All intra-group balances and transactions, including unrealised profits arising therefrom, are eliminated.

It is the Company's judgement that it meets the definition of an investment entity within IFRS 10. The criteria which define an investment entity are as follows:

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

#### *Assessment of an investment entity*

The Board has agreed with the recommendation of the Audit Committee that the Company meets the definition of an investment entity as it satisfies each of the criteria above and that this accounting treatment better reflects the Company's activities as an investment trust. Specifically, as an investment trust, the Company's principal activity is portfolio investment and the investment objectives of the Company (stated in the Strategic Report on page 15) are to achieve a high income and to realise long term growth in the capital value of its portfolio. The Company will seek to achieve these objectives by investing principally in the equity and equity- related securities of companies operating primarily in the energy and water sectors, as well as other infrastructure investments.

PMGR Securities 2025 PLC, the Company's wholly-owned subsidiary, incorporated on 21 October 2021, is being consolidated in the accounts as it is not in itself an investment entity.

### **(c) Presentation of Statement of Comprehensive Income**

In order to better reflect the activities of the Company as an investment trust company, and in accordance with guidance issued by the AIC, supplementary information which analyses the Consolidated Income Statement between items of a revenue and capital nature has been presented alongside the Consolidated Income Statement. In accordance with the Company's Articles of Association, dividends can only be distributed from net revenue income, and the distribution of surpluses from realisations of investments is prohibited. Additionally, net revenue is the measure the Directors believe appropriate in assessing the Company's compliance with certain requirements set out in Section 1158 of the Corporation Tax Act 2010.

# Notes to the Financial Statements continued

## 1. ACCOUNTING POLICIES continued

### **(d) Use of estimates and judgements**

The preparation of these financial statements did not require the use of any key estimates.

The Directors believe that there is one key judgement, being the functional currency of the Company. Although the Company invests in investments denominated in various jurisdictions with various currencies, it has been determined that the functional currency is sterling as the entity is listed on a sterling stock exchange in the UK, and its investment manager is also UK based and its dividends and expenses are paid in sterling. Accordingly, the financial statements are presented in UK pounds sterling rounded to the nearest thousand pounds.

### **(e) Income**

Dividend income from investments is taken into account by reference to the date the security becomes ex-dividend. Special dividends are credited to capital or revenue in the Consolidated Income Statement, according to the circumstances surrounding the payment of the dividend. UK dividends are accounted for net of any tax credits.

Overseas dividends and other income that are subject to withholding tax are grossed up.

Interest receivable on deposits is accounted for on an accruals basis. The fixed return on a debt security is recognised on a time apportionment basis so as to reflect the effective interest rate on the debt security.

### **(f) Expenses**

All expenses are accounted for on an accruals basis and are charged as follows:

- the investment management fee is charged 40% to revenue and 60% to capital;
- the finance costs representing the annual accrual for capital entitlement of the ZDP Shares is allocated to capital;
- investment transaction costs are allocated to capital;
- other expenses are charged wholly to revenue; and
- reconstruction costs relating to repayment and issuance of ZDP Shares are charged wholly to capital.

### **(g) Taxation**

The charge for taxation is based upon the net revenue for the year. The tax charge is allocated to the revenue and capital accounts according to the marginal basis whereby revenue expenses are first matched against taxable income arising in the revenue account; the effect of this for the year ended 31 December 2022 was that all the deductions for tax purposes went to the revenue account.

Deferred taxation will be recognised as an asset or a liability if transactions have occurred at the balance sheet date that give rise to an obligation to pay more taxation in the future, or a right to pay less taxation in the future. An asset will not be recognised to the extent that the transfer of economic benefit is uncertain.

Due to the Company's status as an Investment Trust, and the intention to continue meeting the conditions required to obtain approval in the foreseeable future, the Company has not provided for deferred tax on any capital gains and losses arising on the revaluation or disposal of investments.

### **(h) Investments held at fair value through profit or loss**

Upon initial recognition investments are designated by the Company "at fair value through profit or loss". They are accounted for on the date they are traded and are included initially at fair value which is taken to be their cost. Subsequently investments are valued at fair value which is the bid market price for listed investments. Unquoted investments are valued at fair value by the Board which is established with regard to the International Private Equity and Venture Capital Valuation Guidelines by using, where appropriate, latest dealing prices, valuations from reliable sources and other relevant factors.

# Notes to the Financial Statements continued

## 1. ACCOUNTING POLICIES continued

Changes in the fair value of investments held at fair value through profit or loss and gains or losses on disposal are included in the capital column of the Consolidated Income Statement within "gains/(losses) on investments held at fair value through profit or loss".

The investments in the Company's subsidiary, PMGR Securities 2025 PLC, is held at fair value, considered to be equal to the net asset value of each.

### **(i) Dividends**

Interim and final dividends are recognised in the year in which they are paid.

### **(j) Foreign currency**

Transactions denominated in foreign currencies are translated into sterling at actual exchange rates as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the year end are reported at the rates of exchange prevailing at the year end. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss to capital or revenue in the Consolidated Income Statement as appropriate. Foreign exchange movements on investments are included in the Consolidated Income Statement within gains on investments.

### **(k) Derivatives**

Forward currency contracts entered into for hedging purposes are held at fair value through profit or loss and changes in fair value are recognised in the capital column of the Consolidated Income Statement.

### **(l) Zero Dividend Preference Shares**

The ZDP Shares are classified as a financial liability and shown as a liability in the Group balance sheet. The ZDP Shares are initially measured at fair value being the proceeds of issue less transaction costs and are subsequently measured at amortised cost under the effective interest rate method.

The provision for compound growth entitlement of the ZDP Shares is recognised through the Consolidated Income Statement and analysed under the capital column as a finance cost (as shown in note 5).

### **(m) Special reserve**

The Special Reserve was created by the Court cancellation of the share premium account on 12 November 2003 and is a distributable reserve to be used for all purposes permitted under the Companies Act 2006 (as amended) including the buyback of shares and the payment of dividends.

## **1.2 Accounting standards issued but not yet effective**

At the date of authorisation of these financial statements the following relevant standards and amendments to standards, which have not been applied in these financial statements, were in issue, but not yet effective:

IFRS 17, 'Insurance contracts' (effective for accounting periods on or after 1 January 2023).

Amendments to IAS1 'Classification of liabilities as current or non-current' (effective for accounting periods on or after 1 January 2023).

Amendments to IAS 8 'Definition of Accounting Estimates' (effective for accounting periods on or after 1 January 2023).

Amendments to IAS 1 and IFRS Practice Statement 2 'Disclosure of Accounting Policies' (effective for accounting periods on or after 1 January 2023).

Amendments to IAS 12 'Deferred Tax related to Assets and Liabilities arising from a Single Transaction' (effective for accounting periods on or after 1 January 2023).

The Company does not believe that there will be a material impact on the financial statements or the amounts reported from the adoption of these standards.

# Notes to the Financial Statements continued

## 2. INCOME

	Year ended 31 December 2022 £000	Year ended 31 December 2021 £000
Income from investments:		
UK dividends	917	679
Overseas dividends	1,110	1,290
Bank interest	6	–
<b>Total income</b>	<b>2,033</b>	<b>1,969</b>

## 3. INVESTMENT MANAGEMENT FEE

	Year ended 31 December 2022 £000	Year ended 31 December 2021 £000
Charged to Revenue:		
Investment management fee (40%)	158	141
Charged to Capital:		
Investment management fee (60%)	237	211
	<b>395</b>	<b>352</b>

The Company's AIFM is Premier Portfolio Managers Limited ("PPM") under an agreement terminable by giving not less than six months written notice. Under the AIFM agreement, PPM is entitled to receive from the Company a management fee, payable monthly in arrears, of 0.75% per annum of the gross assets of the Company.

PPM has delegated the management of the Company's portfolio of assets to Premier Fund Managers.

## 4. OTHER EXPENSES

	Year ended 31 December 2022 £000	Year ended 31 December 2021 £000
Charged to Revenue:		
Secretarial services	107	104
Administration expenses	220	208
Depositary fees	25	25
Auditor's remuneration – audit services	44	40
– audit services for subsidiary	10	9
Directors' fees and expenses	76	70
	<b>482</b>	<b>456</b>
Charged to Capital:		
Reconstruction costs	–	43
	<b>–</b>	<b>43</b>

Reconstruction costs represent costs relating to the refinancing of the 2020 ZDP Shares and issue of the 2025 ZDP Shares.

# Notes to the Financial Statements continued

## 5. FINANCE COSTS

	Year ended 31 December 2022			Year ended 31 December 2021		
	Revenue £000	Capital £000	Total £000	Revenue £000	Capital £000	Total £000
Provision for compound growth entitlement of the ZDP Shares	–	750	750	–	714	714
	–	750	750	–	714	714

## 6. TAXATION

### (a) ANALYSIS OF CHARGE IN THE YEAR:

	Year ended 31 December 2022			Year ended 31 December 2021		
	Revenue £000	Capital £000	Total £000	Revenue £000	Capital £000	Total £000
Overseas withholding tax	70	–	70	122	–	122
Overseas capital gains tax	–	18	18	–	–	–
Reclaims from overseas withholding tax	–	–	–	(104)	–	(104)
Total tax charge for the year (see note 6 (b))	70	18	88	18	–	18

### (b) FACTORS AFFECTING THE TOTAL TAX CHARGE FOR THE YEAR:

The tax assessed for the year is higher (31 December 2021: lower) than the standard rate of corporation tax in the UK of 19.0% (31 December 2021: 19.0%). The differences are explained below:

	Year ended 31 December 2022 £000	Year ended 31 December 2021 £000
Total (loss)/profit before taxation	(4,501)	8,234
UK corporation tax at 19.0% (31 December 2021: 19.0%)	(855)	1,564
Effects of:		
Capital gains subject to corporation tax	33	9
Capital losses/(gains) not subject to corporation tax	848	(1,419)
Losses/(gains) on forward currency contracts not subject to corporation tax	138	(77)
(Gains)/losses on foreign exchange not subject to corporation tax	(54)	8
Finance costs of ZDP Shares not deductible	143	136
Restructuring costs of ZDP Shares not deductible	–	8
UK dividends which are not taxable	(156)	(129)
Overseas tax suffered	70	18
Overseas capital gains subject to tax	18	–
Overseas dividends not taxable in the UK	(211)	(214)
Movement in unutilised management expenses	114	114
<b>Total tax charge</b>	<b>88</b>	<b>18</b>

The Company is not liable to UK corporation tax on capital gains due to its status as an investment trust.

# Notes to the Financial Statements continued

## 6. TAXATION continued

Due to the Company's status as an investment trust, and the intention to continue meeting the conditions required to maintain approval in the foreseeable future, the Company has not provided for deferred tax on any capital gains and losses arising on the revaluation or disposal of investments.

After claiming relief against accrued income taxable on receipt, the Company has unrecognised deferred tax assets of approximately £2,350,000 (31 December 2021: £2,189,000) relating to excess expenses of £9,401,000 (31 December 2021: £8,757,000). It is unlikely that the Company will generate sufficient taxable profits in the future to utilise these tax losses and therefore no deferred tax asset in respect of these deductible temporary losses has been recognised.

## 7. DIVIDENDS

Dividends relating to the year ended 31 December 2022 which is the basis on which the requirements of Section 1159 of the Corporation Tax Act 2010 are considered are detailed below:

	Per Ordinary Share	Year ended 31 December 2022 £000
First interim dividend – paid on 30 June 2022	1.75p	319
Second interim dividend – paid on 30 September 2022	1.75p	319
Third interim dividend – paid on 30 December 2022	1.75p	319
Fourth interim dividend – payable on 31 March 2023*	1.75p	319
	<b>7.00p</b>	<b>1,276</b>

\* Not included as a liability in the year ended 31 December 2022 accounts.

The fourth interim dividend will be paid on 31 March 2023 to members on the register at the close of business on 10 March 2023. The shares will be marked ex-dividend on 9 March 2023.

	Per Ordinary Share	Year ended 31 December 2021 £000
First interim dividend – paid on 30 June 2021	1.75p	319
Second interim dividend – paid on 30 September 2021	1.75p	319
Third interim dividend – paid on 30 December 2021	1.75p	319
Fourth interim dividend – paid on 31 March 2022*	1.75p	319
	<b>7.00p</b>	<b>1,276</b>

\* Not included as a liability in the year ended 31 December 2021 accounts.

Amounts recognised as distributions to equity holders in the year:

	Year ended 31 December 2022 £000	Year ended 31 December 2021 £000
Fourth interim dividend for the year ended 31 December 2021 of 1.75p (2020: 2.70p) per ordinary share	319	490
First interim dividend for the year ended 31 December 2022 of 1.75p (2021: 1.75p) per ordinary share	319	319
Second interim dividend for the year ended 31 December 2022 of 1.75p (2021: 1.75p) per ordinary share	319	319
Third interim dividend for the year ended 31 December 2022 of 1.75p (2021: 1.75p) per ordinary share	319	319
	<b>1,276</b>	<b>1,447</b>



# Notes to the Financial Statements continued

## 8. INVESTMENTS

	Group Year ended 31 December 2022 £000	Company Year ended 31 December 2022 £000	Group Year ended 31 December 2021 £000	Company Year ended 31 December 2021 £000
Investments listed on a recognised investment exchange	48,117	48,117	52,694	52,694
Investments in subsidiaries	–	50	–	100
Valuation at year end	48,117	48,167	52,694	52,794
Opening book cost	45,694	45,794	40,686	40,786
Opening investment holding gains	7,000	7,000	4,466	4,466
Opening valuation	52,694	52,794	45,152	45,252
Movements in the year:				
Purchases at cost	19,417	19,417	18,371	18,371
Sales – proceeds	(19,528)	(19,578)	(18,298)	(18,298)
(Losses)/gains in investment holdings for the year	(4,466)	(4,466)	7,469	7,469
Closing valuation	48,117	48,167	52,694	52,794
Closing book cost	45,446	45,496	45,694	45,794
Closing investment holding gains	2,671	2,671	7,000	7,000
Closing valuation	48,117	48,167	52,694	52,794

The Company received £19,578,000 from investments sold in the year (2021: £18,298,000). The book cost of the investments when they were purchased was £19,715,000 (2021: £13,363,000). These investments have been revalued over time until they were sold and unrealised gains/losses were included in the fair value of the investments.

### Classification of assets

	Group Year ended 31 December 2022 £000	Company Year ended 31 December 2022 £000	Group Year ended 31 December 2021 £000	Company Year ended 31 December 2021 £000
Quoted securities	48,117	48,117	52,694	52,694
Subsidiaries	–	50	–	100
Total investments	48,117	48,167	52,694	52,794

Transaction costs on purchases for the year ended 31 December 2022 amounted to £46,000 (2021: £23,000) and transaction costs on sales amounted to £14,000 (2021: £9,000).

# Notes to the Financial Statements continued

## 9. INVESTMENTS IN SUBSIDIARIES

Entity	Principal activity	% Ordinary Share capital held	Country of incorporation and registration	Capital and reserves £000	Profit & loss £000
As at 31 December 2022					
<i>Investment in subsidiaries:</i>					
PMGR Securities 2025 PLC	Financing	100%	England	50	–

Entity	Principal activity	% Ordinary Share capital held	Country of incorporation and registration	Capital and reserves £000	Profit & loss £000
As at 31 December 2021					
<i>Investment in subsidiaries:</i>					
PMGR Securities 2025 PLC	Financing	100%	England	50	–
PGIT Securities 2020 PLC ( <i>dissolved</i> )	Financing	100%	England	50	–

The Company owns the whole of the ordinary share capital (£50,000) of PMGR Securities 2025 PLC, a company which was incorporated on 21 October 2020 which issued the Group's New Zero Dividend Preference Shares. The subsidiary is held at fair value of £50,000 (2021: £50,000).

## 10. RECEIVABLES AND OTHER FINANCIAL ASSETS

	Group Year ended 31 December 2022 £000	Company Year ended 31 December 2022 £000	Group Year ended 31 December 2021 £000	Company Year ended 31 December 2021 £000
Accrued income and prepayments	101	101	113	113
Overseas withholding tax recoverable	113	113	76	76
	214	214	189	189

Receivables do not carry any interest and are short term in nature and are accordingly stated at their amortised cost, which is the same as fair value.

## 11. OTHER FINANCIAL LIABILITIES

	Group Year ended 31 December 2022 £000	Company Year ended 31 December 2022 £000	Group Year ended 31 December 2021 £000	Company Year ended 31 December 2021 £000
Other creditors	191	191	162	162
Intercompany payable	–	–	–	50
	191	191	162	212

# Notes to the Financial Statements continued

## 12. NON-CURRENT LIABILITIES

	Group Year ended 31 December 2022 £000	Company Year ended 31 December 2022 £000	Group Year ended 31 December 2021 £000	Company Year ended 31 December 2021 £000
14,217,339 ZDP Shares of £0.01 (2021: 14,217,339)	15,740	–	14,990	–
Intercompany payable	–	15,790	–	15,040
	15,740	15,790	14,990	15,040

The ZDP Shares, were issued by the Company's wholly-owned subsidiary, PMGR Securities 2025 PLC. The Company entered into an Undertaking Agreement with PMGR Securities 2025 PLC to meet the repayment entitlement of the ZDP Shares on 28 November 2025. The amounts shown above are due to PMGR Securities 2025 PLC.

The final capital entitlement of the ZDP Shares in issue is 127.6111p per share (total of £18,143,000) which is payable on 28 November 2025.

## 13. DERIVATIVES

	Current assets £000	Current liabilities £000	2022 Net current assets/ (liabilities) £000	Current assets £000	Current liabilities £000	2021 Net current assets/ (liabilities) £000
Forward foreign exchange contracts – GBP/EUR	–	(376)	(376)	117	–	117
Forward foreign exchange contracts – GBP/HKD	–	(25)	(25)	–	–	–
Total forward foreign exchange contracts	–	(401)	(401)	117	–	117

The above derivatives are classified as Level 2 as defined in note 21 (g).

No index futures and options were held during 2022 and 2021.

Foreign exchange forwards contracts were held to hedge currency movements, and resulted in losses of £726,000 (2021: gains of £405,000).

# Notes to the Financial Statements continued

## 14. SHARE CAPITAL

	Group and Company Year ended 31 December 2022 Number of shares	Group and Company Year ended 31 December 2022 £000	Group and Company Year ended 31 December 2021 Number of shares	Group and Company Year ended 31 December 2021 £000
Allotted, issued and fully paid: Ordinary Shares of £0.01	<b>18,238,480</b>	<b>183</b>	18,238,480	183
	<b>18,238,480</b>	<b>183</b>	18,238,480	183

The allotted issued and fully paid ZDP Shares of the Group at 31 December 2022 are disclosed in note 12.

During the year ended 31 December 2022, the Company issued no Ordinary Shares (2021: 150,000). Details of the shareholder authorities granted to Directors to issue and buy back shares during the year are provided on pages 31 to 32.

## 15. SHARE PREMIUM

	Group Year ended 31 December 2022 £000	Company Year ended 31 December 2022 £000	Group Year ended 31 December 2021 £000	Company Year ended 31 December 2021 £000
Opening balance	<b>8,961</b>	<b>8,961</b>	8,701	8,701
Issue of Ordinary Shares	–	–	274	274
Costs on issue of Ordinary shares	–	–	(14)	(14)
Closing balance	<b>8,961</b>	<b>8,961</b>	8,961	8,961

## 16. CAPITAL RESERVE

	Group Year ended 31 December 2022 £000	Company Year ended 31 December 2022 £000	Group Year ended 31 December 2021 £000	Company Year ended 31 December 2021 £000
Opening balance	<b>20,528</b>	<b>20,528</b>	13,664	13,664
(Losses)/gains on investments – held at fair value through profit or loss	<b>(4,466)</b>	<b>(4,466)</b>	7,469	7,469
(Losses)/gains on investments on forward foreign exchange contracts	<b>(726)</b>	<b>(726)</b>	405	405
Gains/(losses) on foreign exchange	<b>278</b>	<b>278</b>	(42)	(42)
Provision for compound growth redemption yield on ZDP Shares	<b>(750)</b>	<b>(750)</b>	(714)	(714)
Investment management fee charged to capital	<b>(237)</b>	<b>(237)</b>	(211)	(211)
Overseas capital gains tax	<b>(18)</b>	<b>(18)</b>	–	–
Reconstruction costs*	–	–	(43)	(43)
Closing balance	<b>14,609</b>	<b>14,609</b>	20,528	20,528

\*These costs were incurred in connection with the reconstruction of the Company as set out on pages 52 and 61.

# Notes to the Financial Statements continued

## 17. FINANCIAL COMMITMENTS

At 31 December 2022 there were no commitments in respect of unpaid calls and underwritings (31 December 2021: nil).

## 18. RETURN PER SHARE – BASIC

Total return per Ordinary Share is based on the total comprehensive loss for the year after taxation of £4,589,000 (31 December 2021: £8,216,000).

These calculations are based on the weighted average number of 18,238,480 Ordinary Shares in issue during the year to 31 December 2022 (2021: 18,202,903 Ordinary Shares).

The return per Ordinary Share can be further analysed between revenue and capital as below:

	Year ended 31 December 2022 Pence per Ordinary Share	Year ended 31 December 2022 £000	Year ended 31 December 2021 Pence per Ordinary Share	Year ended 31 December 2021 £000
Net revenue return	7.29p	1,330	7.43p	1,352
Net capital (loss)/return	(32.45p)	(5,919)	37.71p	6,864
Net total return	(25.16p)	(4,589)	45.14p	8,216

The Company does not have any dilutive securities.

## 19. NET ASSET VALUE PER SHARE

The net asset value per share and the net assets available to each class of share calculated in accordance with UK-adopted International Accounting Standards (IFRSs), are as follows:

	Net asset value per share 31 December 2022 Pence	Net assets available 31 December 2022 £000	Net asset value per share 31 December 2021 Pence	Net assets available 31 December 2021 £000
18,238,480 Ordinary Shares in issue (2021: 18,238,480)	178.44p	32,545	210.60p	38,410

## 20. RELATED PARTY TRANSACTIONS AND TRANSACTIONS WITH THE INVESTMENT MANAGER

### (a) Transactions with Investment Manager

Details of the investment management fee charged by Premier Portfolio Managers Limited is set out in note 3. At 31 December 2022, £64,000 (31 December 2021: £62,000) of these fees remained outstanding.

### (b) Related party transactions

Fees paid to the Directors are disclosed in the Directors' Remuneration Report on page 40.

Full details of Directors' interests are set out in the Directors' Remuneration Report on page 38.

# Notes to the Financial Statements continued

## 21. FINANCIAL INSTRUMENTS AND CAPITAL DISCLOSURES

### (a) MARKET RISK

The fair value or future cash flows of a financial instrument held by the Company may fluctuate because of changes in market prices. This market risk comprises three elements – currency risk (see (b) below), interest rate risk (see (c) below) and other price risk (see (d) below). The Board of Directors reviews and agrees policies for managing these risks, which have remained substantially unchanged from those applying in the year ended 31 December 2021. The Company's Investment Manager assesses the exposure to market risk when making each investment decision, and monitors the overall level of market risk on the whole of the investment portfolio on an ongoing basis.

### (b) CURRENCY RISK

Certain of the Company's assets, liabilities, and income, are denominated in currencies other than sterling (the Company's functional currency, in which it reports its results). As a result, movements in exchange rates may affect the sterling value of those items.

#### Management of the risk

The Investment Manager monitors the Company's exposure and reports to the Board on a regular basis.

When appropriate the Investment Manager deploys active hedging against exchange rate fluctuations where adverse movements are anticipated.

Income denominated in foreign currencies is converted to sterling on receipt. The Company does not use financial instruments to mitigate the currency exposure in the period between the time that income is included in the financial statements and its receipt.

#### Foreign currency exposure

An analysis of the Company's equity investments and liabilities at 31 December 2022 (shown at fair value, except derivatives at gross exposure value) that are priced in a foreign currency based on the country of primary exposure are shown below:

	As at 31 December 2022					As at 31 December 2021
	Derivative financial instruments assets/(liabilities) £000	Investments £000	Cash £000	Receivables £000	Net financial assets £000	Net financial assets £000
Sterling	12,445	21,095	531	62	34,133	27,551
Australian dollar	–	–	–	–	–	801
Brazilian real	–	377	–	–	377	361
Canadian dollar	–	3,350	6	42	3,398	4,620
Danish kroner	–	263	–	–	263	–
Euro	(11,568)	13,503	3	100	2,038	2,706
Hongkong dollar	(1,278)	1,495	1	–	218	10,071
Norwegian krone	–	2,871	–	–	2,871	1,805
US dollar	–	5,163	5	10	5,178	5,647
Total	(401)	48,117	546	214	48,476	53,562



# Notes to the Financial Statements continued

## 21. FINANCIAL INSTRUMENTS AND CAPITAL DISCLOSURES continued

### (b) CURRENCY RISK continued

#### Foreign currency sensitivity

The following tables illustrate the sensitivity of the return on ordinary activities after taxation for the year and the equity in regard to the Company's non-monetary financial assets to changes in the exchange rates for the portfolio's significant currency exposures, these being sterling/Canadian dollar, sterling/US dollar and sterling/Euro.

They assume the following changes in exchange rates:

Sterling/US dollar +/- 0.7% (2021: 0.3%)

Sterling/Canadian dollar +/- 0.5% (2021: Sterling/Hong Kong dollar 0.3%)

Sterling/Euro +/- 0.4% (2021: 0.3%)

These percentages have been determined based on the average market volatility in exchange rates, in the previous 12 months.

If sterling had strengthened against the currencies shown assuming there was no currency hedge in place, this would have had the following effect:

	2022 US dollar £000	2022 Canadian dollar £000	2022 Euro £000	2021 Hong Kong dollar £000	2021 US dollar £000	2021 Euro £000
Projected change	<b>0.7%</b>	<b>0.5%</b>	<b>0.4%</b>	0.3%	0.3%	0.3%
Impact on revenue return	<b>(2)</b>	<b>(1)</b>	<b>(1)</b>	(1)	(1)	(1)
Impact on capital return	<b>(34)</b>	<b>(16)</b>	<b>(55)</b>	(34)	(19)	(31)
Total return after taxation for the year	<b>(36)</b>	<b>(17)</b>	<b>(56)</b>	(35)	(20)	(32)
Equity	<b>(36)</b>	<b>(17)</b>	<b>(56)</b>	(35)	(20)	(32)

If sterling had weakened against the currencies shown assuming there was no currency hedge in place, this would have had the following effect:

	2022 US dollar £000	2022 Canadian dollar £000	2022 Euro £000	2021 Hong Kong dollar £000	2021 US dollar £000	2021 Euro £000
Projected change	<b>0.7%</b>	<b>0.5%</b>	<b>0.4%</b>	0.3%	0.3%	0.3%
Impact on revenue return	<b>2</b>	<b>1</b>	<b>1</b>	1	1	1
Impact on capital return	<b>34</b>	<b>16</b>	<b>55</b>	34	19	31
Total return after taxation for the year	<b>36</b>	<b>17</b>	<b>56</b>	35	20	32
Equity	<b>36</b>	<b>17</b>	<b>56</b>	35	20	32

In the opinion of the Directors, the above sensitivity analyses are not representative of the year as a whole, since the level of exposure changes frequently as part of the currency risk management process used to meet the Company's objectives.

# Notes to the Financial Statements continued

## 21. FINANCIAL INSTRUMENTS AND CAPITAL DISCLOSURES continued

### (c) INTEREST RATE RISK

Interest rate movements may affect the level of income receivable on cash deposits. Interest rate movements may affect the fair value of investments in fixed-interest and equity securities.

Cash at bank at 31 December 2022 (and 31 December 2021) was held at floating interest rates, linked to current short term market rates.

Due to the insignificant impact of fluctuations in interest rates no sensitivity analysis is shown.

### (d) OTHER PRICE RISK

#### Management of the risk

The Board of Directors manages the market price risks inherent in the investment portfolio by ensuring full and timely access to relevant information from the Investment Manager. The Board meets regularly and at each meeting reviews investment performance. The Board monitors the Investment Manager's compliance with the Company's objectives.

When appropriate, the Company manages its exposure to risk by using futures contracts or by buying put options on indices and on quoted equity investments in its portfolio.

#### Concentration of exposure to other price risks

A sector breakdown and geographical allocation of the portfolio is contained in the Investment Manager's Report on page 11.

#### Other price risk sensitivity

The following table illustrates the sensitivity of the return after taxation for the year and the equity to an increase or decrease of 10% in the fair values of the Company's equities. This level of change is considered to be reasonably possible based on observation of current market conditions. The sensitivity analysis is based on the Company's equities at each balance sheet date, with all other variables held constant.

	<b>Increase in fair value 2022 £000</b>	<b>Decrease in fair value 2022 £000</b>	Increase in fair value 2021 £000	Decrease in fair value 2021 £000
Consolidated Income Statement – return after taxation:				
Capital return – increase/(decrease)	<b>4,812</b>	<b>(4,812)</b>	5,269	(5,269)
Total return after taxation – increase/(decrease)	<b>4,812</b>	<b>(4,812)</b>	5,269	(5,269)
Equity	<b>4,812</b>	<b>(4,812)</b>	5,269	(5,269)

# Notes to the Financial Statements continued

## 21. FINANCIAL INSTRUMENTS AND CAPITAL DISCLOSURES continued

### (e) LIQUIDITY RISK

This is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities.

#### Management of the risk

The Directors believe that liquidity risk is not significant as the majority of the Company's assets are investments in quoted securities that are readily realisable. The Company does not have any borrowing facilities.

The investments in unquoted securities may have limited liquidity and be difficult to realise. At 31 December 2022, the unquoted security was valued at £50,000 which relates to the wholly-owned subsidiary, PMGR Securities 2025 PLC (2021: £100,000 relating to PMGR Securities 2025 PLC and PGIT Securities 2020 PLC). The Company may invest up to 15% of its gross assets in unquoted securities.

The Board gives guidance to the Investment Manager as to the maximum amount of the Company's resources that should be invested in any one holding. The policy is that the Company should remain fully invested in normal market conditions subject to maintaining short term cash balances sufficient to satisfy working capital requirements. The Board will monitor the level of liquidity required to fund the repayment of the ZDP Shares and the impact of the issue of any new ZDP Shares.

The contractual maturities of the Group's financial liabilities at 31 December 2022, based on the earliest date on which payment can be required, were as follows:

	3 months or less £000	Not more than one year £000	Between one and five years £000	Total £000
<b>At 31 December 2022</b>				
Payables and other financial liabilities	(592)	–	–	(592)
ZDP Shares	–	–	(18,143)	(18,143)

The contractual maturities of the Group's financial liabilities at 31 December 2021, based on the earliest date on which payment can be required, were as follows:

	3 months or less £000	Not more than one year £000	Between one and five years £000	Total £000
<b>At 31 December 2021</b>				
Payables and other financial liabilities	(162)	–	–	(162)
ZDP Shares	–	–	(18,143)	(18,143)

### (f) CREDIT RISK

The failure of the counterparty to a transaction to discharge its obligations under that transaction could result in the Company suffering a loss. The maximum exposure to credit risk at 31 December 2022 (comprising of current assets and cash at bank) was £760,000 (31 December 2021: £868,000). The calculation is based on the Company's credit exposure as at 31 December 2022 and may not be representative of the year as a whole.

# Notes to the Financial Statements continued

## 21. FINANCIAL INSTRUMENTS AND CAPITAL DISCLOSURES continued

### (g) FAIR VALUE MEASUREMENTS OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The financial assets and liabilities are either carried in the balance sheet at their fair value, or the balance sheet amount is a reasonable approximation of fair value (due from brokers, dividends receivable, accrued income, due to brokers, accruals and cash balances).

The tables below set out fair value measurements using fair value hierarchy, where Level 1, Level 2 and total figures apply to both Group and Company and Level 3 figures apply only to Company.

#### Financial assets and liabilities at fair value through profit or loss at 31 December 2022

	Notes	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
Equity investments		<b>48,117</b>	–	–	<b>48,117</b>
Investments in subsidiaries		–	–	<b>50</b>	<b>50</b>
Forward foreign exchange contracts	13	–	<b>(401)</b>	–	<b>(401)</b>
<b>Total</b>		<b>48,117</b>	<b>(401)</b>	<b>50</b>	<b>47,766</b>

#### Financial assets and liabilities at fair value through profit or loss at 31 December 2021

	Notes	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
Equity investments		52,694	–	–	52,694
Investments in subsidiaries		–	–	100	100
Forward foreign exchange contracts	13	–	117	–	117
<b>Total</b>		<b>52,694</b>	<b>117</b>	<b>100</b>	<b>52,911</b>

Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant asset as follows:

Level 1 – valued using quoted prices in active markets for identical assets.

Level 2 – valued by reference to valuation techniques using observable inputs other than quoted prices included within Level 1. Level 2 investments include the Company's forward currency contracts, these are valued using the Prime Broker contracts which uses spot foreign exchange rates in the respective currencies.

Level 3 – valued by reference to valuation techniques using inputs that are not based on observable market data.

Level 3 fair values are determined by the Directors using valuation methodologies in accordance with the IPEV Guidelines and as detailed in note 1.1 (h). Significant inputs include investment cost, the value of the most recent capital raising and the adjusted net asset value of funds. In accordance with IPEV Guidelines, new investments are carried at cost, the price of the most recent investment being a good indication of fair value. Thereafter, fair value is the amount deemed to be the price that would be received upon sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. At 31 December 2022, the Company's Level 3 investment related to the wholly-owned subsidiary, PMGR Securities 2025 PLC. The net asset value of the subsidiary is considered to be the fair value.

The valuation techniques used by the Company are explained in the accounting policies note on pages 59 and 60.

# Notes to the Financial Statements continued

## 21. FINANCIAL INSTRUMENTS AND CAPITAL DISCLOSURES continued

### (g) FAIR VALUE MEASUREMENTS OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES continued

A reconciliation of fair value measurements in Level 3 is set out below.

#### Level 3 financial assets at fair value through profit or loss

	As at 31 December 2022 £000
Opening fair value – PGIT Securities 2020 PLC and PMGR Securities 2025 PLC	100
PGIT Securities 2020 PLC (Dissolved on 11 November 2022)	(50)
Closing fair value – PMGR Securities 2025 PLC	50

The listed bid price was used to determine the fair value of the ZDP Shares as at 31 December 2022:

	As at 31 December 2022 Book value £000	Fair value Level 2 £000	As at 31 December 2021 Book value £000	Fair value Level 2 £000
ZDP Shares	15,740	15,284	14,990	15,141

The ZDP Shares are considered to be Level 2 (2021: Level 2), due to low volumes of trade.

### (h) CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Company's capital management objectives are:

- to ensure that the Company will be able to continue as a going concern; and
- to achieve a high income from its portfolio and to realise long term growth in the capital value of the portfolio.

The Company's capital at 31 December comprises:

	2022 £000	2021 £000
Total assets	48,877	53,562
Debt:		
ZDP Shares	(15,740)	(14,990)
Equity:		
Equity share capital	183	183
Retained earnings and other reserves	32,362	38,227
	32,545	38,410
Debt as a percentage of total capital	32.20%	27.99%

# Notes to the Financial Statements continued

## 21. FINANCIAL INSTRUMENTS AND CAPITAL DISCLOSURES continued

### (h) CAPITAL MANAGEMENT POLICIES AND PROCEDURES continued

The Company's objectives, policies and processes for managing capital are unchanged from the preceding accounting period.

- As a public company, the Company has to have a minimum share capital of £50,000.
- In order to be able to pay dividends out of profits available for distribution by way of dividends, the Company has to be able to meet one of the two capital restriction tests imposed on investment companies by company law.

These requirements are unchanged since last year and the Company has complied with them.

## 22. SEGMENTAL REPORTING

The chief operating decision maker has been identified as the Board of Premier Miton Global Renewables Trust PLC. The Board reviews the Company's internal management accounts in order to analyse performance.

The Directors are of the opinion that the Company is engaged in one segment of business, being the investment business.

Geographical segmental analysis pertaining to the Company has not been disclosed because the Directors are of the opinion that as an investment company the geographical sources of revenues received by the Company are incidental to its investment activity.

## 23. SUBSEQUENT EVENTS

There were no subsequent events.



# Glossary of Terms and Alternative Performance Measures

## ALTERNATIVE PERFORMANCE MEASURES ("APMS")

The European Securities and Markets Authority defines an Alternative Performance Measure ("APM") as being a financial measure of historical or future financial performance, financial position or cash flow, other than a financial measure defined or specified in the applicable accounting framework. The APMs used may not be directly comparable with those used by other companies. In selecting these Alternative Performance Measures, the Directors considered the key objectives and expectations of typical investors in an investment trust such as the Company. In particular the Directors have selected APMS which allow the user to gain a better understanding of the Company's capital structure and the risks inherent within the Company's structure. The following APM's have been used:

### DISCOUNT/PREMIUM (APM)

If the share price of an investment trust is lower than the NAV per share, the shares are said to be trading at a discount. The size of the discount is calculated by subtracting the share price from the NAV per share and is usually expressed as a percentage of the NAV per share. If the share price is higher than the NAV per share, the shares are said to be trading at a premium. The Board monitors the level of discount or premium and consideration is given to ways in which share price performance may be enhanced, including the effectiveness of marketing and share buy-backs, where appropriate. The discount/premium is shown on page 2.

		As at 31 December 2022	As at 31 December 2021
Net Asset Value per Ordinary Share (cum income)	a	<b>178.44p</b>	210.60p
Mid-market price per Ordinary Share	b	<b>155.50p</b>	196.50p
Discount	(b-a)/a	<b>(12.9%)</b>	(6.7%)

### GEARING (APM)

Gearing, or leverage, is introduced when a company borrows money or issues prior ranking share classes such as Zero Dividend Preference ("ZDP") shares, to buy additional investments. The objective is to enhance returns to shareholders but there is the risk of the opposite effect if the additional investments fall in value.

Gearing has been calculated by dividing the Zero Dividend Preference Shares over the Equity attributable to Ordinary Shareholders.

	As at 31 December 2022	As at 31 December 2021
Zero Dividend Preference Shares	<b>£15.7m</b>	£15.0m
Equity attributable to Ordinary Shareholders	<b>£32.5m</b>	£38.4m
Gearing	<b>48.4%</b>	39.0%

### GROSS REDEMPTION YIELD

The return on a fixed-interest security, or any investment with a known life, expressed as an annual percentage and without any deduction for tax. Redemption yield measures the capital as well as income return on investments with a fixed life.

# Glossary of Terms and Alternative Performance Measures continued

## HURDLE RATES (APM)

The compound rate of growth or decline of the total assets required each year until the redemption date for shareholders to receive the predetermined redemption price on a Zero Dividend Preference Share or the current share price on an Ordinary Share.

		Year ended 31 December 2022	Year ended 31 December 2021
<b>Hurdle Rate – Ordinary Shares</b>			
Gross assets less current liabilities (excluding Zero Dividend Preference Shares)	a	<b>£48.3m</b>	£53.4m
Less management fees to be charged to capital until ZDP redemption date	b	<b>(£0.6m)</b>	(£0.9m)
	c = a+b	<b>£47.7m</b>	£52.5m
Redemption value of Zero Dividend Preference Shares	d	<b>(£18.1m)</b>	(£18.1m)
Expected equity attributable to Ordinary Shareholders at ZDP redemption date 28 November 2025	e = c+d	<b>£29.5m</b>	£34.3m
31 December 2022 market capitalisation based on mid share price of 155.50p (2021: 196.50p) x number of shares in issue	f	<b>£28.4m</b>	£35.8m
Difference between year-end market capitalisation and expected market capitalisation at ZDP redemption date	g = f-e	<b>(£1.1m)</b>	£1.5m
Change in year-end gross assets required to return current market capitalisation at ZDP redemption date	h = g/a	<b>(2.4%)</b>	2.9%
Ordinary Shares Hurdle p.a. to return the 31 December 2022 (31 December 2021) share price at 28 November 2025	$= (1+h)^{1/((\text{number of days to redemption})/365)}-1$	<b>(0.8%)</b>	0.7%

Numbers have been rounded.

		Year ended 31 December 2022	Year ended 31 December 2021
<b>Hurdle Rate – Zero Dividend Preference Shares</b>			
Gross assets less current liabilities (excluding Zero Dividend Preference Shares)	a	<b>£48.3m</b>	£53.4m
Redemption value of Zero Dividend Preference Shares	b	<b>£18.1m</b>	£18.1m
Management fees to be charged to capital until ZDP redemption date	c	<b>£0.6m</b>	£0.9m
	d = b+c	<b>£18.8m</b>	£19.1m
Percentage to fall before Zero Dividend Preference Shares not fully covered	e = (d-a)/a	<b>(61.1%)</b>	(64.3%)
Zero Dividend Preference Shares Hurdle p.a. to return the redemption price of 127.6111p at 28 November 2025	$= (1+e)^{1/((\text{number of days to redemption})/365)}-1$	<b>(27.7%)</b>	(23.1%)

Numbers have been rounded. Numbers may not sum due to rounding.

# Glossary of Terms and Alternative Performance Measures continued

## NET ASSET VALUE ("NAV") (CUM INCOME)

The NAV is the assets attributable to shareholders expressed as an amount per individual share. PMGR's Ordinary Share NAV is calculated as the total value of all its assets, at current market value, having deducted all prior charges at their par value (or at their asset value). "Cum income" referred to the inclusion of current year net revenue accrued but not yet paid as a dividend.

## NAV TOTAL RETURN (APM)

The combined effect of any dividends paid, together with the rise or fall in the share price or NAV. Total return statistics enable the investor to make performance comparisons between companies with different dividend policies. Dividends received by a shareholder are assumed to have been reinvested in either additional shares of the company on the date the shares go ex-dividend (the share price total return) or in the assets of the Company at its NAV per share (the NAV total return). The total return, the NAV total return and the share price total return figures are shown on page 2.

	Year ended 31 December 2022	Year ended 31 December 2021
Opening NAV	<b>210.60p</b>	173.48p
(Decrease)/increase in NAV	<b>(32.16p)</b>	37.12p
Closing NAV	<b>178.44p</b>	210.60p
% (decrease)/increase in NAV	<b>(15.3%)</b>	21.4%
Impact of reinvested dividends	<b>3.2%</b>	5.1%
NAV Total Return	<b>(12.1%)</b>	26.5%

## ONGOING CHARGES (APM)

The ongoing charges represent the Company's management fee and all other operating expenses, excluding finance costs, expressed as a percentage of the average of the daily Total Assets during the year (see page 2). The Board continues to be conscious of expenses and works hard to maintain a sensible balance between good quality service and cost.

Year ended 31 December		2022 £000	2022 £000	2021 £000	2021 £000
Average Total Assets	a		<b>51,655</b>		48,828
Investment management fee		<b>395</b>		352	
Other operating expenses		<b>482</b>		456	
Total expenses excluding finance costs	b		<b>877</b>		808
Ongoing charges	(b÷a)		<b>1.70%</b>		1.65%

# Glossary of Terms and Alternative Performance Measures continued

## SHARE PRICE TOTAL RETURN (APM)

The return to the investor, on a mid price to mid price basis, assuming that all dividends paid were reinvested, without transaction costs, into additional shares of the Company on the date the shares were quoted ex-dividend.

	Year ended 31 December 2022	Year ended 31 December 2021
Opening share price	<b>196.50p</b>	157.50p
(Decrease)/increase in share price	<b>(41.00p)</b>	39.00p
Closing share price	<b>155.50p</b>	196.50p
% (decrease)/increase in share price	<b>(20.9%)</b>	24.8%
Impact of reinvested dividends	<b>3.2%</b>	5.9%
Share Price Total Return	<b>(17.7%)</b>	30.7%

## TOTAL ASSETS

Total assets less current liabilities, before deduction of all borrowings.

## TOTAL ASSETS TOTAL RETURN (APM)

The total assets total return compares the closing assets to the opening assets plus dividends payable to Ordinary Shareholders that have been marked ex-dividend during the year.

	Year ended 31 December 2022 £000	Year ended 31 December 2021 £000
Opening Total Assets	<b>53,400</b>	45,655
Closing Total Assets	<b>48,285</b>	53,400
(Decrease)/increase	<b>(5,115)</b>	7,745
Zero Dividend Preference net refinancing	–	–
Dividends marked “ex-dividend” in the period	<b>1,276</b>	1,447
Total assets total return (£000)	<b>(3,839)</b>	9,192
Total assets total return (%)	<b>(7.3%)</b>	19.8%

Total assets total return expressed as a percentage, takes into account timing of dividends paid to Ordinary Shareholders and other capital returns during the year, and also assumes dividends are reinvested. The disclosures provided above are illustrative of the major components of the calculation, and cannot of themselves be used to replicate the calculation.

# Glossary of Terms and Alternative Performance Measures continued

## ZERO DIVIDEND PREFERENCE SHARE COVER (NON CUMULATIVE) (APM)

The non cumulative cover measures the amount by which the final redemption value of the Zero Dividend Preference Shares are secured by the total assets of the Group allowing for all prior ranking liabilities and the accrual of expenses to capital over the remaining period to the redemption of the Zero Dividend Preference Shares.

		Year ended 31 December 2022	Year ended 31 December 2021
Gross assets less current liabilities (excluding Zero Dividend Preference Shares)		<b>£48.3m</b>	£53.4m
Less December revenue reserve		<b>(£1.2m)</b>	(£1.2m)
Gross assets for Zero Dividend Preference Cover	a	<b>£47.1m</b>	£52.2m
Redemption value of Zero Dividend Preference Shares	b	<b>£18.1m</b>	£18.1m
Management fees charged to capital	c	<b>£0.2m</b>	£0.2m
Years left	d	<b>2.91</b>	3.91
Zero Dividend Preference Share Cover (non cumulative)	a/(b+(c*d))	<b>2.51x</b>	2.74x

*Numbers have been rounded. Numbers may not sum due to rounding.*

# Company History

The Company, a UK investment trust listed on the Main Market of the London Stock Exchange, was incorporated on 12 September 2003 and commenced its activities on 4 November 2003. The Company was established in connection with the scheme of reconstruction of Legg Mason Investors International Utilities Trust PLC, with 18,143,433 Ordinary Shares and 19,143,433 Zero Dividend Preference Shares being allotted at launch. On 18 December 2009 shareholders approved special resolutions to implement tender offers for Ordinary Shares and Zero Dividend Preference ("ZDP") Shares, to extend the life of the Company until 31 December 2015 and to amend the final entitlement per ZDP Share to 221.78p on 31 December 2015. On 15 December 2010 shareholders approved proposals to issue new shares in connection with the reconstruction of Premier Renewable Energy Fund Limited.

On 27 August 2014 shareholders approved proposals to extend the life of the Company and to implement a reorganisation of the Company through a scheme of arrangement. The existing ZDP Shares were replaced with New ZDP Shares issued by a newly incorporated subsidiary of the Company, PEWT Securities PLC and the Articles were amended to allow the Company to continue with an indefinite life whilst including a provision to allow holders of ordinary shares an opportunity to vote on the continued existence of the Company every five years from 2020. In December 2014 the Company raised £1,361,931 (after expenses) through the placing of 310,000 Ordinary Shares and 384,681 ZDP Shares (issued by PEWT Securities PLC).

During 2015 the Company raised £3,153,000 (after expenses) through the placing of 710,000 Ordinary Shares and 881,045 ZDP Shares (issued by PEWT Securities PLC).

On 14 December 2015 it was announced that elections by ZDP Shareholders to participate in the Rollover Option exceeded the Maximum Issue Size, meaning that such Elections were scaled back on a pro-rata basis. Each ZDP Shareholder who made a valid Election to receive new ZDP Shares of PEWT Securities 2020 PLC received approximately 1,871 new ZDP Shares and £346.80 in cash for every 1,000 existing ZDP Shares held on the Effective Date and for which they made a valid Election. On 31 December 2015, PEWT Securities PLC was placed into members' voluntary liquidation and 24,073,337 new ZDP Shares in PEWT Securities 2020 PLC, with a final capital entitlement per ZDP Share of 125.6519 pence on 30 November 2020, were issued to satisfy ZDP Shareholders who had elected to roll over their investment.

On 1 November 2017, the Board of Premier Energy and Water Trust PLC announced that the name of the Company changed to Premier Global Infrastructure Trust PLC and simultaneously the name of the Company's subsidiary, PEWT Securities 2020 PLC, was changed to PGIT Securities 2020 PLC.

At the Company's Annual General Meeting held on 22 April 2020, shareholders approved a resolution that the company continue in existence as an investment trust until the Annual General Meeting in 2025.

At a General Meeting held on 9 October 2020, shareholders approved a resolution to amend the Company's investment policy so that the portfolio consists primarily of investments in companies operating in the renewable energy sector as well as other sustainable infrastructure investments. On 16 November 2020 the Company changed its name to Premier Miton Global Renewables Trust PLC.

On 23 November 2020 the Company announced that valid elections to participate in a new ZDP share to be issued by PMGR Securities 2025 PLC were received in respect of 8,648,877 existing ZDP Shares issued by PGIT Securities 2020 PLC, resulting in an entitlement to 10,867,439 new ZDP Shares. In addition PMGR Securities 2025 PLC placed a further 3,349,900 new ZDP Shares with new investors. On 30 November 2020, PGIT Securities 2020 PLC was placed into members' voluntary liquidation and existing ZDP Shares, which had not made a valid election to receive new ZDP Shares, received their final capital entitlement of 125.6519 pence per ZDP share. On the same day, PMGR Securities 2025 PLC issued 14,217,339 new ZDP Shares with a final capital entitlement of 126.6111 pence on 28 November 2025.

During 2021 the Company raised £262,000 (after expenses) through the placing of 150,000 Ordinary Shares. No new shares were issued during 2022.



# Shareholder Information

## SHARE PRICE AND PERFORMANCE INFORMATION

The Ordinary Shares and ZDP Shares are listed on the London Stock Exchange. Information about the Company and that of the other investment companies managed by Premier Miton Group plc, namely the Diverse Income Trust plc, Miton UK MicroCap Trust plc and MIGO Opportunities Trust plc, including the current share prices which can be obtained directly via [www.premiermiton.com](http://www.premiermiton.com), or in the case of Premier Miton Global Renewables Trust PLC, directly from [www.globalrenewablestrust.com](http://www.globalrenewablestrust.com)

Contact Premier Miton Investor Services on 03334561122, or by e mail to [investorservices@premiermiton.com](mailto:investorservices@premiermiton.com)

## SHARE DEALING

Shares can be purchased through a stockbroker, or on a variety of retail investor platforms.

## SHARE REGISTER ENQUIRIES

The register for the Ordinary Shares and ZDP Shares is maintained by the Company's Registrar, Link Group. In the event of queries regarding your holding, please contact the Registrar on 0371 664 0300 or, if calling from overseas, on +44 (0) 371 664 0300. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The Registrar is open between 09:00 - 17:30, Monday to Friday excluding public holidays in England and Wales. You can also contact the Registrar by email at [shareholderenquiries@linkgroup.co.uk](mailto:shareholderenquiries@linkgroup.co.uk). Changes of name and/or address must be notified in writing to the Registrar.

## STATEMENT REGARDING NON-MAINSTREAM INVESTMENT PRODUCTS

The Company currently conducts its affairs so that both the Ordinary Shares issued by the Company and the ZDP Shares issued by the Company's wholly owned subsidiary PMGR Securities 2025 PLC can be recommended by Independent Financial Advisors to retail investors in accordance with the FCA's rules in relation to non-mainstream pooled investment products and intends to continue to do so for the foreseeable future.

The Ordinary Shares and the ZDP Shares fall outside the restrictions which apply to non-mainstream pooled investment products because they are excluded securities.



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A member of the Association of Investment Companies.

# AIFMD Disclosures and Remuneration Disclosure

## AIFMD DISCLOSURES

The provisions of the Alternative Investment Fund Managers Directive took effect on 22 July 2014, were transposed into UK law under the European Union (Withdrawal) Act 2018 and amended via the Alternative Investment Fund Managers (Amendment) (EU Exit) Regulations 2019 ("AIFMD" or "UK AIFMD"). The Alternative Investment Fund Manager ("AIFM") of the Company is Premier Portfolio Managers Limited ("PPM"), authorised by the FCA as an Alternative Investment Fund Manager ("AIFM" or "UK AIFM") under the AIFMD.

### Pre-Investment Disclosures

The AIFM is required to make certain disclosures available to investors in accordance with the AIFMD. Those disclosures that are required to be made pre-investment can be found at <https://www.premierfunds.co.uk/media/820971/premier-miton-global-renewables-trust-pre-investment-disclosure-document-aifmd.pdf>. The document was updated in January 2023 and there have been no material changes to the disclosures contained within the document since that date.

### AIFMD Leverage limits

The maximum level of leverage which the Investment Manager may employ on behalf of the Company and the levels as at 31 December 2022 are set out below:

Note that a leverage or commitment exposure level of 100% represents no leverage. Leverage arises from the ZDP Shares and forward currency contracts.

Maximum gross leverage (calculated as specified by the AIFM Directive): 1,000%	Level as at 31 December 2022: 187%
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Maximum commitment exposure (calculated as specified by the AIFM Directive): 800%.	Level as at 31 December 2022: 149%
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### Remuneration Disclosure

The provisions of the AIFMD require the AIFM to establish and maintain remuneration policies for its staff which are consistent with and promote sound and effective risk management.

The AIFM is part of a larger group of companies within which remuneration policies are the responsibility of a remuneration committee comprised entirely of non-executive directors. That committee has established a remuneration policy which sets out a framework for determining the level of fixed and variable remuneration of staff, including maintaining an appropriate balance between the two.

Arrangements for variable remuneration within the AIFM's group are calculated primarily by reference to the performance of each individual and the profitability of the relevant business unit. The policies are designed to reward long term performance and long term profitability.

Within the PMI Group, all staff are employed by a subsidiary of the Parent Company with none employed directly by the AIFM. The costs of a number of individuals are allocated between the entities within the AIFM's group based on the expected amount of time devoted to each.

The total remuneration of those individuals who are fully or partly involved in the activities of the AIFM in relation to Alternative Investment Funds, including the Company ('AIFs'), including those whose time is allocated between group entities, for the financial year ending 30 September 2022, is analysed below:

	2022
Fixed remuneration	£4,265,246
Variable remuneration	£1,840,851
<b>Total</b>	<b>£6,106,097</b>
<b>Weighted FTE Headcount</b>	<b>50</b>

# AIFMD Disclosures and Remuneration Disclosure continued

## Remuneration Disclosure continued

The table below provides an alternative analysis of the remuneration data.

	2022
Aggregate remuneration of:	
Significant Influence Functions	£1,767,151
Senior Management Functions	£83,970
Other staff	£4,254,976
<b>Total</b>	<b>£6,106,097</b>

The staff members included in the above analysis support all the funds managed by the AIFM. It is not considered feasible or useful to attempt to apportion these figures to individual AIFs.

The AIFM's management have reviewed the general principles of the remuneration policy and its application in the last year which has resulted in no material changes to the policy.

# Notice of Annual General Meeting

to the members of Premier Miton Global Renewables Trust PLC

**This document is important and requires your immediate attention. If you are in any doubt as to any aspect of the proposals referred to in this document or as to the action you should take, you should seek your own advice from a stockbroker, bank manager, solicitor, accountant, or other independent professional adviser authorised under the Financial Services and Markets Act 2000. If you have sold or otherwise transferred all of your shares in Premier Miton Global Renewables Trust PLC, please forward this document and the accompanying documents as soon as possible to the purchaser or transferee, or to the stockbroker or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee.**

Notice is hereby given that the Annual General Meeting of the Company will be held at the offices of Stephenson Harwood LLP, 1 Finsbury Circus, London EC2M 7SH on Wednesday, 26 April 2023, at 12:15 p.m. to consider and, if thought fit, pass Resolutions 1 to 11 inclusive as ordinary resolutions and Resolutions 12 to 15 as special resolutions:

## Ordinary resolutions

- 1. To receive and adopt the Strategic Report, Directors' Report and Financial Statements for the year ended 31 December 2022, together with the report of the Auditor thereon.**
- 2. To approve the Directors' Remuneration Report for the year ended 31 December 2022, excluding the remuneration policy of the Company.**
- 3. To approve the Directors' Remuneration Policy, the full text of which is contained in the Directors' Remuneration Report for the year ended 31 December 2022.**
- 4. To approve the Company's dividend policy to continue to pay four interim dividends per year.**
- 5. To re-elect Mrs Gillian Nott as a Director of the Company.**

Gillian Nott is an experienced Chair of investment trusts having spent over 20 years working in the sector. In addition, she has a good understanding of regulatory matters having served on the Board of the Association of Investment Companies and the Financial Services Authority, the predecessor to the Financial Conduct Authority.
- 6. To re-elect Ms Victoria Muir as a Director of the Company.**

Ms Muir has over 25 years' experience in financial services, with a particular focus on the distribution of investment products in the asset management industry. She is a Chartered Director, contributing a strong governance perspective.
- 7. To re-elect Mr Melville Trimble as a Director of the Company.**

Melville Trimble has had over 30 years' experience of advising investment trust boards and has particular knowledge on the structuring of such companies. He is a qualified chartered accountant and a fellow of the Chartered Institute of Securities and Investments.
- 8. To reappoint KPMG LLP as Auditor of the Company to hold office until the conclusion of the next General Meeting at which financial statements are laid before the Company.**
- 9. To authorise the Audit Committee to determine the Auditor's remuneration.**
- 10. Authority to allot new shares:**

THAT, the Directors be generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 (the "Act") to exercise all the powers of the Company to allot ordinary shares of 1p each in the capital of the Company ("Ordinary Shares") up to an aggregate nominal amount of £18,238.48 (representing approximately 10% of the Ordinary Shares in issue as at the date of this Notice, excluding treasury shares), such authority to expire at conclusion of the Company's AGM to be held in 2024, unless renewed, varied or revoked by the Company in a general meeting, save that the Company may, at any time prior to the expiry of such authority, make an offer or enter into an agreement which would or might require Ordinary Shares to be allotted in pursuance of such offer or agreement as if such authority had not expired. This resolution revokes and replaces all unexercised authorities previously granted to the Directors to allot Ordinary Shares but without prejudice to any allotment of Ordinary Shares or grant of rights made, offered or agreed to be made pursuant to such authorities.

# Notice of Annual General Meeting continued

- 11.** THAT, subject to the passing of Resolution 10, the Directors be generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 (the "Act") to exercise all the powers of the Company to allot Ordinary Shares up to an aggregate nominal amount of £18,238.48 (representing approximately 10% of the Ordinary Shares in issue as at the date of this Notice, excluding treasury shares), such authority to expire at conclusion of the Company's AGM to be held in 2024, unless renewed, varied or revoked by the Company in a general meeting, save that the Company may, at any time prior to the expiry of such authority, make an offer to enter into an agreement which would or might require Ordinary Shares to be allotted in pursuance of such offer or agreement as if such authority had not expired. This resolution revokes and replaces all unexercised authorities previously granted to the Directors to allot Ordinary Shares but without prejudice to the authority granted to the Directors pursuant to Resolution 10, or any allotment of Ordinary Shares or grant of rights made, offered or agreed to be made pursuant to such authorities.

## Special Resolutions

### **12. Authority to disapply pre-emption rights:**

THAT, subject to the passing of Resolution 10, the Directors be generally empowered (pursuant to sections 570 and 573 of the Companies Act 2006 (the "Act")) to allot Ordinary Shares and to sell Ordinary Shares from treasury for cash as if section 561 of the Act did not apply to any such allotment or sale, provided that this power shall be limited up to an aggregate nominal amount of £18,238.48 representing approximately 10% of the Ordinary Shares in issue as at the date of this Notice, excluding treasury shares). This power will expire at the conclusion of the Company's AGM to be held in 2024 (unless previously revoked, varied or renewed by the Company in general meeting), save that the Company may, at any time prior to the expiry of such power, make an offer or enter into an agreement which would or might require Ordinary Shares to be allotted or sold from treasury after the expiry of such power and the Directors may allot or sell from treasury Ordinary Shares in pursuance of such an offer or agreement as if such power had not expired.

- 13.** THAT, subject to the passing of Resolution 11, the Directors be generally empowered (pursuant to sections 570 and 573 of the Companies Act 2006 (the "Act")) to allot Ordinary Shares and to sell Ordinary Shares from treasury for cash as if section 561 of the Act did not apply to any such allotment or sale, provided that this power shall be limited up to an aggregate nominal amount of £18,238.48 (representing approximately 10% of the Ordinary Shares in issue as at the date of this Notice, excluding treasury shares). This power will expire at the conclusion of the Company's AGM to be held in 2024 (unless previously revoked, varied or renewed by the Company in general meeting), save that the Company may, at any time prior to the expiry of such power, make an offer or enter into an agreement which would or might require Ordinary Shares to be allotted or sold from treasury after the expiry of such power and the Directors may allot or sell from treasury Ordinary Shares in pursuance of such an offer or agreement as if such power had not expired. This resolution is in addition to the authority granted pursuant to, but without prejudice to that granted to, the Directors in Resolution 12 above.

### **14. Authority to repurchase the Company's shares:**

THAT, in substitution of all existing authorities, the Company be and is hereby generally and unconditionally authorised in accordance with Section 701 of the Companies Act 2006 ("the Act") to make market purchases (within the meaning of Section 693(4) of the Act) of Ordinary Shares of 1p each in the capital of the Company (together the "Shares"), provided that:

- (a) the maximum number of Shares hereby authorised to be purchased shall be 2,733,948 Ordinary Shares;
- (b) the minimum price which may be paid for a Share is 1 pence;
- (c) the maximum price which may be paid for an Ordinary Share is an amount equal to the highest of (i) 105% of the average of the middle market quotation for an Ordinary Share taken from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the Ordinary Share is purchased and (ii) the higher of the price of the last independent trade in the Ordinary Shares and the highest then current independent bid for the Ordinary Shares on the London Stock Exchange;
- (d) Ordinary Shares may only be purchased at prices below their prevailing net asset value per Ordinary Share (as determined by the Directors in accordance with the Articles as at a date falling no more than 10 days before the date of the relevant repurchase and taking into account the costs of the repurchase) and where:
  - (i) the Cover of the ZDP Shares issued by PMGR Securities 2025 PLC ("ZDP Shares") would not be reduced below 1.75 times;  
or

# Notice of Annual General Meeting continued

- (ii) the Cover of the ZDP Shares would not be less than the Cover of the ZDP Shares in issue immediately prior to the repurchase, in each case as determined by the Directors as at a date falling not more than ten days before the date of repurchase and taking account of any purchases of ZDP Shares proposed to be made at or about the same time;
- (e) Ordinary Shares and ZDP Shares may be purchased in such proportions and at such prices so as to effect an increase in the net asset value per Ordinary Share (as determined by the Directors in accordance with the Articles as at a date falling no more than 10 days before the date of the relevant repurchases and taking into account the costs of the repurchases) and where:
  - (i) the Cover of the ZDP Shares would not be reduced below 1.75 times; or
  - (ii) the Cover of the ZDP Shares would not be less than the Cover of the ZDP Shares in issue immediately prior to the repurchases, in each case as determined by the Directors as at a date falling not more than 10 days before the date of repurchases;
- (f) the authority hereby conferred shall expire at the earlier of the conclusion of the Annual General Meeting of the Company in 2024 or 26 October 2024 unless such authority is renewed prior to such time; and
- (g) the Company may make a contract to purchase Ordinary Shares under the authority hereby conferred prior to expiry of such authority which will be or may be executed wholly or partly after the expiration of such authority and may make a purchase of Ordinary Shares pursuant to any such contract.

Any shares so purchased will be cancelled in accordance with the provisions of the Act.

## 15. Notice Period for General Meetings

THAT a general meeting other than an annual general meeting may be called on not less than 14 clear days' notice, such authority to expire at the conclusion of the next annual general meeting of the Company.

By order of the Board

### Link Company Matters Limited

Company Secretary

14 March 2023

Registered Office:  
6th Floor, 65 Gresham Street  
London EC2V 7NQ



# Notes to the Notice of Annual General Meeting

1. Members are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the meeting. A shareholder may appoint more than one proxy in relation to the Annual General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A shareholder may not appoint more than one proxy to exercise the rights attached to any one share. A proxy need not be a shareholder of the Company.

To submit your proxy instructions, please complete the online form of proxy by logging on to [www.signalshares.com](http://www.signalshares.com) and selecting Premier Miton Global Renewables Trust PLC. If you have not yet registered for the share portal you will need your investor code (IVC) which is detailed on your share certificate or is available by calling our Registrar, Link Group on 0371 664 0300 or, if calling from overseas, on +44 (0) 371 664 0300. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The Registrar is open between 09:00 - 17:30, Monday to Friday excluding public holidays in England and Wales. Alternatively, you can request a paper proxy form from Link Group on the telephone number above and returning the completed form to the address shown on the form.

2. Any paper proxy form or other instrument appointing a proxy must be received by post to Link Group, PXS1 10th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL or (during normal business hours only) by hand at the offices of the Company's registrars, Link Group, PXS1 10th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL no later than 12:15 p.m. on Monday, 24 April 2023.
3. Unless otherwise indicated on the Form of Proxy, CREST voting or any other electronic voting channel instruction, the proxy will vote as they think fit or, at their discretion, withhold from voting.
4. The return of a completed proxy form, other such instrument or any CREST Proxy Instruction (as described in paragraph 9 below) will not prevent a shareholder attending the Annual General Meeting and voting in person if he/she wishes to do so.
5. Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person") may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Annual General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.
6. The statement of the rights of shareholders in relation to the appointment of proxies in paragraphs 1 and 2 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by shareholders of the Company.
7. To be entitled to attend and vote at the Annual General Meeting (and for the purpose of the determination by the Company of the votes they may cast), shareholders must be registered in the Register of Members of the Company by close of business on Monday, 24 April 2023 (or, in the event of any adjournment, on the date which is two days before the time of the adjourned meeting for the purposes of which no account is to be taken of any part of a day that is not a working day). Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.
8. As at 14 March 2023 (being the latest practicable date prior to the publication of this Notice) the Company's issued share capital consisted of 18,238,480 Ordinary Shares, carrying one vote each. Therefore, the total voting rights in the Company as at 14 March 2023 are 18,238,480.
9. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
10. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & International Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual (available via [www.euroclear.com](http://www.euroclear.com)). The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA10) by 12:15 p.m. on Monday, 24 April 2022. For this purpose, the time of receipt will be taken to be the time (as

# Notes to the Notice of Annual General Meeting continued

determined by the time stamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

11. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & International Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his or her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
12. Unless otherwise indicated on the Form of Proxy, CREST voting or any other electronic voting channel instruction, the proxy will vote as they think fit or, at their discretion, withhold from voting.
13. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
14. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.
15. Under section 527 of the Companies Act 2006 members meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the Auditor's report and the conduct of the audit) that are to be laid before the Annual General Meeting; or (ii) any circumstance connected with an Auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Companies Act 2006. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under section 527 of the Companies Act 2006, it must forward the statement to the Company's Auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the Annual General Meeting includes any statement that the Company has been required under section 527 of the Companies Act 2006 to publish on a website.
16. Members have the right, under section 338 of the Companies Act 2006, to require the Company to give its members notice of a resolution which the shareholders wish to be moved at an annual general meeting of the Company. Additionally, members have the right under section 338A of the Companies Act 2006 to require the Company to include a matter (other than a proposed resolution) in the business to be dealt with at the annual general meeting. The Company is required to give such notice of a resolution or include such matter once it has received requests from members representing at least 5% of the total voting rights of all the members who have a right to vote at the annual general meeting or from at least 100 members with the same right to vote who hold shares in the Company on which there has been paid up an average sum per member of at least £100. This request must be received by the Company not later than six weeks before the annual general meeting or, if later, the time at which notice is given of the annual general meeting. In the case of a request relating to section 338A of the Companies Act 2006, the request must be accompanied by a statement setting out the grounds for the request.
17. Except as provided above, members who wish to communicate with the Company in relation to the AGM should do so in writing to the Company Secretary at the registered office address or at: [pmgr@linkgroup.co.uk](mailto:pmgr@linkgroup.co.uk). No other methods of communication will be accepted. In particular you may not use any electronic address provided either in this notice of meeting or in any related documents to communicate with the Company for any purposes other than those expressly stated.
18. The following documents will be available for inspection at the Company's registered office during normal business hours on any weekday (Saturdays, Sundays and UK public holidays excepted) up to and including the date of the Annual General Meeting and at the place of the Annual General Meeting from 15 minutes prior to its commencement until its conclusion:
  - copies of the Directors' letters of appointment; and
  - the Annual Report and Accounts for the year ended 31 December 2022.

## Notes to the Notice of Annual General Meeting continued

19. Any member attending the meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
20. A copy of this notice, and other information required by s311A of the Companies Act 2006, is available at the Investment Manager's website: <https://www.globalrenewablestrust.com/>

# Directors and Advisers

## Directors

Gillian Nott OBE – Chairman

Melville Trimble – Chairman of the Audit Committee

Victoria Muir – Chairman of the Remuneration Committee

## Alternative Investment Fund Manager ("AIFM")

Premier Portfolio Managers Limited

Eastgate Court

High Street

Guildford

Surrey GU1 3DE

Telephone: 01483 306 090

[www.premiermiton.com](http://www.premiermiton.com)

Authorised and regulated by the Financial Conduct Authority

## Investment Manager

Premier Fund Managers Limited

Eastgate Court

High Street

Guildford

Surrey GU1 3DE

Telephone: 01483 306 090

[www.premiermiton.com](http://www.premiermiton.com)

Authorised and regulated by the Financial Conduct Authority

## Secretary and Registered Office

Link Company Matters Limited

6th floor

65 Gresham Street

London EC2V 7NQ

## Registrar

Link Group

The Registry

10th Floor

Central Square

29 Wellington Street

Leeds LS1 4DL

Telephone: 0371 664 0300\*

Overseas: +44 (0) 371 664 0300\*

E-mail: [shareholderenquiries@linkgroup.co.uk](mailto:shareholderenquiries@linkgroup.co.uk)

[www.signalshares.com](http://www.signalshares.com)

\* Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The Registrar is open between 09:00 - 17:30 Monday to Friday excluding public holidays in England and Wales

## Depository

Northern Trust Investor Services Limited

50 Bank Street

Canary Wharf

London E14 5NT

Authorised by the Prudential Regulation Authority ("PRA") and regulated by the FCA and PRA

## Custodian

The Northern Trust Company

50 Bank Street

Canary Wharf

London E14 5NT

## Auditor

KPMG LLP

15 Canada Square

London E14 5GL

## Tax Advisor

Crowe U.K. LLP

55 Ludgate Hill

London EC4M 7JW

## Stockbroker

finnCap Capital Markets

One Bartholomew Close

London EC1A 7BL

## Ordinary Shares

SEDOL 3353790GB

LSE PMGR

## Zero Dividend Preference Shares

SEDOL BNG43G3GB

LSE PMGZ

## Global Intermediary Identification Number

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