

Costessey Energy Limited

Annual report and financial statements

Registered number 03448770

Year ended 31 March 2017



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Directors' report

The directors (the "Directors") present their Directors' report and audited financial statements for Costessey Energy Limited (the "Company") for the year ended 31 March 2017. The Company has adopted the exemptions available in Sections 414(B) and 416(3) of the Companies Act 2006 with regard to the Small Companies Regime. Accordingly the Company has elected not to prepare a strategic report or as part of the Directors' report, disclosures relating to the dividends declared and (if any) paid during the year under review.

On 8 December 2016 the Infinis Energy Limited group of companies (the "Infinis Energy Group") sold its LFG business and related subsidiaries to 3i Infrastructure plc (please refer to note 14 for further details).

Principal activities

The principal activity of the Company is the generation and sale of electricity from gas extracted from land fill sites.

Directors

The Directors of the Company during the year and up to the date of signing the accounts were as follows:

P J Gregson	(resigned 8 December 2016)
S N Hardman	(resigned 8 December 2016)
T E Hinton	(resigned 8 December 2016)
M D Holton	(appointed 8 December 2016)
E P M Machiels	(resigned 8 December 2016)
J H Milne	(appointed 8 December 2016)
S S Pickering	

Directors' indemnity and insurance

An associated company has agreed to indemnify past and present Directors, in accordance with and subject to the terms of the corporate governance policy for the group headed by Infinis Energy Group Holdings Limited, together with other subsidiaries of Infinis Energy Group Holdings Limited (the "Infinis Group"), against liability and all expenses reasonably incurred or paid by them in connection with any claim, action, suit or proceeding in which they become involved in the performance of their duties as a director and against amounts paid or incurred by them. These are qualifying third party indemnity provisions for the purposes of Section 234 of the Companies Act 2006.

An associated company has also arranged directors' and officers' liability insurance.

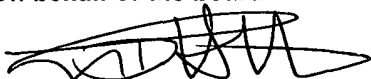
Statement of disclosure of information to auditor

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 a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

On behalf of the board



M D Holton
Director

18 September 2017

Registered Office; First Floor, 500 Pavilion Drive,
Northampton Business Park,
Northampton, NN4 7YJ

Directors' responsibility statement in respect of the annual report and the financial statements

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements: and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Independent auditor's report to the members of Costessey Energy Limited

We have audited the financial statements of Costessey Energy Limited for the year ended 31 March 2017 set out on pages 5 to 19. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

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

Respective responsibilities of Directors and auditor

As explained more fully in the Directors' responsibilities statement set out on page 3, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements. Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Directors' report:

- we have not identified material misstatements in that report; and
- in our opinion, that report has been prepared in accordance with the Companies Act 2006

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to the advantage of the Small Companies exemption from the requirement to prepare a strategic report.



18 September 2017

Ian Griffiths
Senior Statutory Auditor
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL
United Kingdom

Profit and loss account and other comprehensive income

for the year ended 31 March 2017

	Note	2017 £'000	2016 £'000
Turnover	2	202	287
Cost of sales		(341)	(226)
Gross (loss)/profit		(139)	61
Administrative expenses		(14)	(16)
Operating (loss)/profit	3	(153)	45
Interest payable and similar charges	6	(74)	(62)
Loss before taxation		(227)	(17)
Tax on loss	7	34	(4)
Loss for the financial year		(193)	(21)

The Company has no other comprehensive income or loss items and therefore total comprehensive loss for the year is £193,000 (2016: loss £21,000).

The notes on pages 8 to 19 form part of these financial statements.

Balance sheet

at 31 March 2017

	Note	2017 £'000	2016 £'000
Fixed assets			
Tangible assets	8	70	277
		<u>70</u>	<u>277</u>
Current assets			
Debtors	9	122	1,644
Cash at bank and in hand		436	-
		<u>558</u>	<u>1,644</u>
Creditors: amounts falling due within one year	11	(188)	(1,288)
Net current assets		<u>370</u>	<u>356</u>
Total assets less current liabilities		<u>440</u>	<u>633</u>
Net assets		<u>440</u>	<u>633</u>
Capital and reserves			
Called up share capital	12	418	418
Profit and loss account		22	215
Shareholder's funds		<u>440</u>	<u>633</u>

The notes on pages 8 to 19 form part of these financial statements.

The financial statements were approved by the board of Directors on 18 September 2017 and were signed on its behalf by:



M D Holton
Director
Company registration no. 03448770

Statement of changes in equity

	Called up share capital £'000	Profit and loss account £'000	Total equity £'000
Balance at 1 April 2016	418	215	633
Total comprehensive income for the year			
Loss for the year	-	(193)	(193)
Total comprehensive income for the year	-	(193)	(193)
Transactions with owners, recorded directly in equity			
Total contributions by and distributions to owners	-	-	-
Balance at 31 March 2017	418	22	440

	Called up share capital £'000	Profit and loss account £'000	Total equity £'000
Balance at 1 April 2015	418	236	654
Total comprehensive income for the year			
Loss for the year	-	(21)	(21)
Total comprehensive income for the year	-	(21)	(21)
Transactions with owners, recorded directly in equity			
Total contributions by and distributions to owners	-	-	-
Balance at 31 March 2016	418	215	633

Notes (forming part of the financial statements)

1 Accounting policies

Basis of preparation

Costessey Energy Limited is a private company incorporated, domiciled and registered in England, in the UK. The registered number is 03448770 and the registered address is First Floor, 500 Pavilion Drive, Northampton Business Park, Northampton, NN4 7YJ.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). The amendments to FRS 101 (2014/15 Cycle) issued in July 2015 have been applied.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company's ultimate parent undertaking, Infinis Energy Group Holdings Limited, includes the Company in its consolidated financial statements. The consolidated financial statements of Infinis Energy Group Holdings Limited are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from the Company Secretary, First Floor, 500 Pavilion Drive, Northampton Business Park, Northampton, NN4 7YJ.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- A Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital and tangible fixed assets;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs; and
- Disclosures in respect of the compensation of Key Management Personnel.

As the consolidated financial statements of Infinis Energy Group Holdings Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Measurement convention

The financial statements are prepared on the historical cost basis.

Going concern

The financial statements have been prepared on a going concern basis.

Notes (forming part of the financial statements)

1 Accounting policies (continued)

Turnover

Turnover is the amount derived from the sale of electricity and associated renewable certificates and embedded benefits in the normal course of business, measured at the fair value of consideration received or receivable, net of value added tax and trade discounts. All revenue is generated in the United Kingdom.

Revenue (except for the recycled element of the ROC price) is recognised where there is a signed unconditional contract of sale and is based upon the quantity of electricity exported and the contracted rate on the date of generation.

Revenue includes an estimate for the recycled price of Renewable Obligation Certificates (ROCs) sold during the financial period. This price is variable and is estimated based on a number of factors including UK electricity demand, targets set for renewable generation in the UK and the actual amount of UK renewable energy generation achieved.

Interest payable

Interest payable is recognised in the profit and loss account as it accrues, using the effective interest method. Costs incurred in raising finance are capitalised and amortised over the length of the borrowing. Additional costs incurred due to the redemption of a facility are charged to the profit and loss account in the period in which they are incurred.

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial time to be prepared for use, are capitalised as part of the cost of that asset.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

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

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Notes (forming part of the financial statements)

1 Accounting policies (continued)

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Land is not depreciated and assets under construction are not depreciated until they are commissioned. The estimated useful lives are as follows:

Plant and equipment (except engine overhauls)	Over the shorter of the minimum lease term of each specific operating site and the expected life of the asset, being 2-20 years
Engine overhauls	2 - 4 years

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

Notes (forming part of the financial statements)

1 Accounting policies (continued)

Impairment excluding stocks and deferred tax assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Notes (forming part of the financial statements)

1 Accounting policies (continued)

Financial Instruments

Non-derivative financial instruments

Non-derivative financial instruments comprise investments, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables. Non-derivative financial instruments are recognised initially at fair value. Subsequent to initial recognition they are measured as described below:

Trade and other debtors

Trade and other debtors are carried at original invoice amount less any allowance for uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written-off when identified.

Trade and other creditors

Trade and other creditors are carried at cost.

2 Turnover

Turnover consists entirely of sales of electrical power, and associated renewable certificates and embedded benefits, made to customers within the United Kingdom.

3 Operating (loss)/profit

	2017 �'000	2016 �'000
Operating (loss)/profit is stated after charging:		
Depreciation of fixed assets	129	72
Impairment of fixed assets	92	-
Payments to landlords	26	37
	<u>247</u>	<u>109</u>

4 Auditor's remuneration

	2017 �'000	2016 �'000
Audit of these financial statements	6	3
	<u>6</u>	<u>3</u>

Audit fees for the year ended 31 March 2017 and for the year ended 31 March 2016 were borne by another group company.

Notes (forming part of the financial statements)

5 Directors' emoluments and employees

None of the Directors received any remuneration or benefits from the Company during the current year or prior year, nor are they employees of the Company. The Company had no employees during the current year or prior year.

6 Interest payable and similar charges

	2017 £'000	2016 £'000
Payable to group undertakings	74	62
	<u>74</u>	<u>62</u>

7 Taxation

Recognised in the profit and loss account

	2017 £'000	2016 £'000
<i>United Kingdom corporation tax</i>		
Current tax charge on expense in the year	16	8
Total current tax charge	<u>16</u>	<u>8</u>
<i>Deferred tax</i>		
Origination and reversal of temporary differences	29	(5)
Adjustment in respect of prior years	(12)	(3)
Reduction in tax rate	1	(4)
Total deferred tax charge	<u>18</u>	<u>(12)</u>
Tax charge on loss	<u><u>34</u></u>	<u><u>(4)</u></u>

Notes (forming part of the financial statements)

7 Taxation (continued)

Reconciliation of effective tax rate

	2017	2016
	£'000	£'000
Loss for the year	(193)	(21)
Total tax (credit)/expense	(34)	4
Loss excluding taxation	(227)	(17)
Tax using the UK corporation tax rate of 20% (2016: 20%)	45	3
Non-deductible expenses	-	-
Reduction in tax rate on deferred tax balances	1	(4)
Adjustments relating to prior periods	(12)	(3)
Total tax credit/(expense)	34	(4)

The Finance (No. 2) Act 2015 introduced legislation reducing the rate of corporation tax from 20% at 1 April 2016 to 19% from 1 April 2017 and to 18% from 1 April 2020. These reduced rates were used in the calculation of the UK's deferred tax assets and liabilities as at 31 March 2016. The Finance Act 2016, which received Royal Assent on 15 September 2016, reduced the corporation tax rate to 17% from 1 April 2020.

The further reduction in the future corporation tax rates from 18% to 17% has been used in the calculation of deferred tax assets and liabilities in the UK for the year ended 31 March 2017. This results in a reduction in the Company's net deferred tax liabilities of £1,000, in the income statement.

Notes (forming part of the financial statements)

8 Tangible fixed assets

	Plant and machinery	Assets under construction	Total
	£'000	£'000	£'000
Cost			
At 1 April 2016	2,469	13	2,482
Additions	-	14	14
Disposals	(118)	-	(118)
Transfers	27	(27)	-
	<hr/>	<hr/>	<hr/>
At 31 March 2017	2,378	-	2,378
	<hr/>	<hr/>	<hr/>
Accumulated depreciation and impairment			
At 1 April 2016	2,205	-	2,205
Charge for the year	129	-	129
Impairment charge for year	92	-	92
Disposals	(118)	-	(118)
	<hr/>	<hr/>	<hr/>
At 31 March 2017	2,308	-	2,308
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 March 2017	70	-	70
	<hr/>	<hr/>	<hr/>
At 31 March 2016	264	13	277
	<hr/>	<hr/>	<hr/>

Notes (forming part of the financial statements)

9 Debtors

	2017 £'000	2016 £'000
Amounts owed by group undertakings	6	1,546
Deferred tax assets	52	34
Corporation tax recoverable	16	8
Prepayments and accrued income	48	56
	<u>122</u>	<u>1,644</u>
Due within one year	70	1,610
Due after more than one year	<u>52</u>	<u>34</u>

10 Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Tangible fixed assets	52	34	-	-	52	34
	<u>52</u>	<u>34</u>	<u>-</u>	<u>-</u>	<u>52</u>	<u>34</u>

Movement in deferred tax during the year

	1 April 2016 £'000	Recognised in income £'000	Recognised in equity £'000	Effect of rate change £'000	31 March 2017 £'000
Tangible fixed assets	34	19	-	(1)	52
	<u>34</u>	<u>19</u>	<u>-</u>	<u>(1)</u>	<u>52</u>

Notes (forming part of the financial statements)

10 Deferred tax assets and liabilities (continued)

Movement in deferred tax during the prior year

	1 April 2015 £'000	Recognised in income £'000	Recognised in equity £'000	Effect of rate change £'000	31 March 2016 £'000
Tangible fixed assets	46	(8)	-	(4)	34
	<u>46</u>	<u>(8)</u>	<u>-</u>	<u>(4)</u>	<u>34</u>

11 Creditors: amounts falling due within one year

	2017 £'000	2016 £'000
Amounts owed to group undertakings	178	1,255
Accruals	10	33
	<u>188</u>	<u>1,288</u>

12 Capital and reserves

Share capital

	2017 Number	2016 Number	2017 £'000	2016 £'000
Allotted, called up and fully paid				
Ordinary shares of £1 each	<u>418,447</u>	<u>418,447</u>	<u>418</u>	<u>418</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

13 Contingent liabilities

The Company is a member of a group VAT registration and as such has contingent liabilities for VAT in respect of other members of the VAT group.

The Company has guaranteed the indebtedness of certain other Companies in the Infinis Group in relation to the banking facility provided by six financial institutions to Infinis Energy Management Limited and has contingent liabilities in this respect of £276,700,000 (2016: £nil).

Notes (forming part of the financial statements)

14 Related parties

The Company is, and has been since 8 December 2016, a wholly-owned subsidiary of the Infinis Group. The head of the Infinis Group, Infinis Energy Group Holdings Limited, has the ability to exercise a controlling influence over the Company and other subsidiary undertakings within the Infinis Group, and consequently the Directors also consider these subsidiary undertakings to be related parties.

3i Infrastructure plc ("3i"), a company incorporated in the Channel Islands, is the ultimate parent company of Infinis Energy Group Holdings Limited. 3i therefore has the ability to exercise a controlling influence through its shareholding in each of the wholly-owned subsidiaries (the "3i Holding Companies") through which it owns the entire issued share capital of the Company. The Directors therefore consider 3i and the entities it controls, including each of the 3i Holding Companies, to be related parties.

There were no transactions between the Company and either 3i or any of the 3i Holding Companies during the period post acquisition. There were no balances outstanding between the Company and either 3i or any of the 3i Holding Companies at the end of the year (2016: £nil).

For the period from 1 April 2016 to 8 December 2016 the Company was a wholly-owned subsidiary of the group headed by Infinis Energy Limited ("Infinis Energy Group"). Infinis Energy Limited had the ability to exercise a controlling influence over the Company and other subsidiary undertakings within the Infinis Energy Group. Consequently, the Directors also consider these subsidiary undertakings to be related parties.

Terra Firma Investments (GP) 2 Limited, acting as the general partner of the six limited partnerships which constitute the Terra Firma Capital Partners II Fund, Terra Firma Capital Partners II L.P.-H and TFCP II Co Investment 1 L.P. (Terra Firma), had the ability to exercise a controlling influence through the holding of shares in Monterey Capital II S. à r.l. Monterey Capital II S. à r.l. was the immediate parent company of Infinis Energy Limited and its sole shareholder. The Directors therefore consider Terra Firma to be a related party.

There were no transactions between the Company and Terra Firma during the period (2016: £nil). There were no balances outstanding between the Company and Terra Firma at the end of the year (2016: £nil).

15 Ultimate parent company and ultimate controlling entity

The Company is a member of the Infinis Group which is headed by Infinis Energy Group Holdings Limited. 3i LFG Topco Limited, a company registered in Jersey, is the immediate parent and sole shareholder of Infinis Energy Group Holdings Limited. The ultimate controlling entity is 3i Infrastructure plc, a company registered in Jersey.

Novera Energy Generation No.3 Limited is the Company's immediate parent company.

The head of the smallest group for which consolidated financial statements are prepared and of which the Company is a member is Infinis Energy Management Limited. The consolidated financial statements of this group are available to the public and may be obtained from the Company Secretary, First Floor, 500 Pavilion Drive, Northampton Business Park, Northampton, NN4 7YJ.

The head of the largest group for which consolidated financial statements are prepared and of which the Company is a member is Infinis Energy Group Holdings Limited. The consolidated financial statements of this group are available to the public and may be obtained from the Company Secretary, First Floor, 500 Pavilion Drive, Northampton Business Park, Northampton, NN4 7YJ.

Notes (forming part of the financial statements)

16 Subsequent events

There were no subsequent events.

17 Accounting estimates and judgments

Key judgments and sources of estimation uncertainty

In the process of applying the Company's accounting policies, management necessarily makes judgments and estimates that have a significant impact on the values recognised in the financial statements. Changes in the assumptions underlying these judgments and estimates could result in a significant impact to the financial statements. The most critical of these accounting judgments and estimates are explained below.

Impairment

In assessing impairment, judgment is required to establish whether there have been indicators of impairment for all amortising and depreciating non-current assets.

Once the need for a review of the carrying value of an asset has been determined, valuation requires estimation techniques similar to those used for acquired assets and is therefore subject to similar estimates and judgments.

Revenue recognition

Revenue includes an estimate for the recycled price of ROCs sold during the financial period. This price is variable and is estimated based on a number of factors including UK electricity demand, targets set for renewable generation in the UK and the actual amount of UK renewable energy generation achieved.