

## **Infinis Holdings**

**Annual report and financial statements**

**Registered number 04733479**

**Year ended 31 March 2016**

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## Directors' report

The directors (the "Directors") present their Directors' report and audited financial statements for Infinis Holdings (the "Company") for the year ended 31 March 2016. The Company has early 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.

### Principal activities

The principal activity of the Company is that of a holding company.

### Directors

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

I Bharadwaj	(appointed 10 February 2016)
G A Boyd	(resigned 12 November 2015)
P V Dixon	(appointed 10 February 2016)
S N Hardman	(resigned 4 February 2016)
T E Hinton	(appointed 28 October 2015)
M J Kinski	(appointed 10 February 2016)
E P M Machiels	

### Directors' indemnity and insurance

An associated company has granted an indemnity to certain current Directors under which the associated company will indemnify them, subject to the terms of clause 10.2 of the Corporate Governance Deed, against any liability or losses or expenses incurred by them in the performance of their duties. 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

  
**T E Hinton**  
**Director**  
24 August 2016

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

## **Directors' responsibilities statement**

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 Infinis Holdings**

We have audited the financial statements of Infinis Holdings for the year ended 31 March 2016 set out on pages 6 to 22. 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](http://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 2016 and of its profit 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.

### **Emphasis of matter**

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in Note 1 to the financial statements concerning the Company's ability to continue as a going concern; in particular concerning the recovery of an amount due from the parent entity and associated uncertainties surrounding their ability to pay.

These conditions, along with other matters explained in Note 1 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt as to the Company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Company were unable to continue as a going concern.

### **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.

## Independent auditor's report to the members of Infinis Holdings continued

### 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.

 25 August 2016

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 2016

	Note	2016 £'000	2015 £'000
Administrative expenses		<b>1,361</b>	128
<b>Operating profit</b>	2	<b>1,361</b>	128
Income from shares in group undertakings	5	<b>191,381</b>	-
Other interest receivable and similar income	6	<b>626</b>	-
Interest payable and similar charges	7	<b>(373)</b>	-
<b>Profit on ordinary activities before taxation</b>		<b>192,995</b>	128
Tax on profit on ordinary activities	8	<b>(50)</b>	(32)
<b>Profit for the financial year</b>		<b>192,945</b>	96

The Company has no other comprehensive income or loss items and therefore total comprehensive income (2015: income) for the year is £192,945,000 (2015: £96,000).

The notes on pages 9 to 22 form part of these financial statements.

## Balance sheet

at 31 March 2016

	Note	2016 £'000	2015 £'000
<b>Fixed assets</b>			
Investments	9	15,749	15,749
		<u>15,749</u>	<u>15,749</u>
<b>Current assets</b>			
Debtors	10	84,103	39,399
Cash at bank and in hand		-	5,426
		<u>84,103</u>	<u>44,825</u>
<b>Creditors: amounts falling due within one year</b>	11	(48,768)	(11,054)
<b>Net current assets</b>		<u>35,335</u>	<u>33,771</u>
<b>Total assets less current liabilities</b>		<u>51,084</u>	<u>49,520</u>
<b>Net assets</b>		<u>51,084</u>	<u>49,520</u>
<b>Capital and reserves</b>			
Called up share capital	12	15,760	15,760
Share premium account		22,616	22,616
Profit and loss account		12,708	11,144
		<u>51,084</u>	<u>49,520</u>
<b>Shareholder's funds</b>		<u>51,084</u>	<u>49,520</u>

The notes on pages 9 to 22 form part of these financial statements.

The financial statements were approved by the board of Directors on 24 August 2016 and were signed on its behalf by:

**T E Hinton**  
**Director**



Company registration no. 04733479



## Statement of changes in equity

	Called up share capital £'000	Share premium account £'000	Profit and loss account £'000	Total equity £'000
Balance at 1 April 2015	15,760	22,616	11,144	49,520
<b>Total comprehensive income for the year</b>				
Profit for the year	-	-	192,945	192,945
Total comprehensive income for the year	-	-	192,945	192,945
<b>Transactions with owners, recorded directly in equity</b>				
Dividends	-	-	(191,381)	(191,381)
Total contributions by and distributions to owners	-	-	(191,381)	(191,381)
<b>Balance at 31 March 2016</b>	<b>15,760</b>	<b>22,616</b>	<b>12,708</b>	<b>51,084</b>

	Called up share capital £'000	Share premium account £'000	Profit and loss account £'000	Total equity £'000
Balance at 1 April 2014	15,760	22,616	11,048	49,424
<b>Total comprehensive income for the year</b>				
Profit for the year	-	-	96	96
Total comprehensive income for the year	-	-	96	96
<b>Transactions with owners, recorded directly in equity</b>				
Total contributions by and distributions to owners	-	-	-	-
<b>Balance at 31 March 2015</b>	<b>15,760</b>	<b>22,616</b>	<b>11,144</b>	<b>49,520</b>

## **Notes (forming part of the financial statements)**

### **1 Accounting policies**

#### **Basis of preparation**

Infinis Holdings is a company incorporated and domiciled in the UK.

The Company has adopted Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101") in these financial statements for the first time. The amendments to FRS 101 (2014/15 Cycle) issued in July 2015 and effective immediately 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.

In the transition to FRS 101, the Company has applied IFRS 1 whilst ensuring that its assets and liabilities are measured in compliance with FRS 101. There were no adjustments to the previously reported financial position or financial performance of the Company.

The Company's ultimate parent undertaking, Infinis Energy Limited includes the Company in its consolidated financial statements. The consolidated financial statements of Infinis Energy 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;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- 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.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements and in preparing an opening FRS 101 IFRS balance sheet at 1 April 2014 for the purposes of the transition to FRS 101 Adopted IFRSs.

## Notes (forming part of the financial statements)

### 1 Accounting policies (continued)

#### Measurement convention

The financial statements are prepared on the historical cost basis.

#### Going concern

The Company is part of the group headed by Infinis Energy Limited, together with other subsidiaries of Infinis Energy Limited (the 'Infinis Energy Group'). The Company's only activity is that of a holding company with an investment in Infinis Capital Limited, which in itself holds investments in landfill gas and wind businesses.

The financial statements have been prepared on a going concern basis, which the Directors believe to be appropriate for the following reasons. Despite the Company having net current assets of £35.3 million and generating a profit before tax of £193.0 million, the Company has a significant current receivable of £84.1 million due from its immediate parent company, Infinis Energy Limited. There are uncertainties surrounding the ability of Infinis Energy Limited to repay the amount, as repayment is dependent on receipt of proceeds from the sale of the wind business and/or other assets or the refinancing of the Bridge Facility referred to below. The Company is dependent upon the receipt of this receivable to be able to settle its current liabilities of £48.8 million and to be able to realise its assets and discharge its liabilities in the normal course of business.

Infinis Energy Limited's financial statements were approved on 24 August 2016 and included the following extract from their basis of preparation:

*The auditors' report on the Group's and the Company's financial statements for the year ended 31 March 2016 includes an Emphasis of Matter section drawing attention to the following disclosures which indicate the existence of a material uncertainty which may cast significant doubt as to the Group's and the Company's ability to continue as a going concern.*

*The Group meets its day to day working capital requirements from cash and cash equivalents. At 31 March 2016 the Group had £64.5 million of cash and cash equivalents and the following indebtedness (excluding unamortised loan costs): £350.0 million of high yield bond financing for the landfill gas business, £64.5 million of construction wind project finance, £249.7 million of operational wind project finance and £205.0 million of indebtedness under a bridge facility (the "Bridge Facility") provided by Goldman Sachs to Monterey Capital II S.à r.l. and novated to Infinis Capital Limited, a controlled undertaking of the Company, in February 2016. At 30 June 2016, cash and cash equivalents were £93.6 million and the Group had borrowed a further £31.9 million of construction wind project finance and repaid £5.8 million of operational wind finance and all other facilities remained the same.*

*The Group continues to be highly cash generative and is able to support the financing arrangements that are secured on the underlying businesses. The Bridge Facility has an initial termination date of 29 September 2016 and right of extension to 28 December 2016 and the following disclosures provide commentary on the Group's ability to repay and/or refinance this £205.0 million liability.*

*The Group has prepared base and sensitised cash flow forecasts for a period in excess of 12 months from the date of authorisation of these financial statements. Those forecasts indicate that the Group can continue to operate within the terms of its existing facilities only if the Bridge Facility is refinanced or if sufficient additional funds are received to enable the repayment of the Bridge Facility upon its maturity in December 2016 in the absence of any agreed extension.*

## **Notes (forming part of the financial statements)**

*On 31 January 2016, upon undertaking an active marketing campaign, the Group designated the operational and construction wind business as held for sale. A number of offers were received in excess of the amount of the Bridge Facility. The Directors are confident of completing sales to realise proceeds in excess of the Bridge Facility amount to procure its repayment, and extending or refinancing the Bridge Facility if required (the "Repayment Strategy"). There can be no guarantee, however, as to the amount of the sale proceeds, the timing of receipt thereof or success of this Repayment Strategy and, if not successful, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.*

The Directors consider that these circumstances represent a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. However, the Directors are of the belief, at this point in time, that the Infinis Energy Group will extend or refinance the Bridge Facility or that proceeds from the sale of the wind business and/or other assets will enable its repayment, such that the Company's current liabilities may be discharged. The Directors consider the Company will be able to continue as a going concern and the financial statements have accordingly been prepared on a going concern basis and do not include the adjustments that would result if the Company were unable to continue as a going concern.

### **Group accounts**

The Company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

### **Interest income**

Interest income is recognised when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable.

### **Income from shares in group undertakings**

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established (provided that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably).

### **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.

## **Notes (forming part of the financial statements)**

### **1 Accounting policies (continued)**

#### **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.

#### **Impairment**

##### *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)

#### Investments

Fixed asset investments, including investments in subsidiaries and joint ventures, are shown at cost less provision for impairment, except where they are classified as being held for sale when they are measured at the lower of carrying amount and fair value less costs to sell.

#### Financial Instruments

##### *Non-derivative financial instruments*

Non-derivative financial instruments comprise investments, trade and other debtors, cash and cash equivalents, loans and borrowings, and trade and other creditors. 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 Operating profit

	2016 £'000	2015 £'000
Operating profit is stated after crediting:		
Release of previously recognised costs relating to the listing of Infinis Energy plc	<u>1,361</u>	<u>-</u>

### 3 Auditor's remuneration

	2016 £'000	2015 £'000
Audit of these financial statements	<u>7</u>	<u>6</u>

Audit fees for the year ended 31 March 2016 and for the year ended 31 March 2015 were borne by another group company.

## Notes (forming part of the financial statements)

### 4 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.

### 5 Income from shares in group undertakings

	2016 £'000	2015 £'000
Income from shares in group undertakings	191,381	-
	<u>191,381</u>	<u>-</u>
	<u>191,381</u>	<u>-</u>

On the 24 February 2016, Infinis Holdings received a dividend in specie of £191,381,000 from its wholly owned subsidiary Infinis Capital Limited and on the same day, paid a dividend in specie of £191,381,000 to its immediate parent company, Infinis Energy Limited.

### 6 Other Interest receivable and similar income

	2016 £'000	2015 £'000
Receivable from group undertakings	626	-
	<u>626</u>	<u>-</u>
	<u>626</u>	<u>-</u>

### 7 Interest payable and similar charges

	2016 £'000	2015 £'000
Payable to group undertakings	373	-
	<u>373</u>	<u>-</u>
	<u>373</u>	<u>-</u>

## Notes (forming part of the financial statements)

### 8 Taxation

#### Recognised in the profit and loss account

	2016 £'000	2015 £'000
<i>United Kingdom corporation tax</i>		
Current tax on income in the year	(50)	(32)
Total current tax	(50)	(32)
<i>Deferred tax</i>		
Total deferred tax	-	-
<b>Tax on profit on ordinary activities</b>	<b>(50)</b>	<b>(32)</b>

#### Reconciliation of effective tax rate

	2016 £'000	2015 £'000
Profit for the year	192,945	96
Total tax expense	50	32
Profit excluding taxation	192,995	128
Tax using the UK corporation tax rate of 20% (2015: 21%)	(38,599)	(27)
Non-deductible income/(expenses)	38,549	(5)
Total tax expense	(50)	(32)

For the year ended 31 March 2016, the corporation tax rate was 20% (2015: 21%). On 18 November 2015, changes to the corporation tax rate were substantially enacted, reducing the tax rate to 19% from April 2017 and 18% from 1 April 2020. This will reduce the Company's future tax rate accordingly. An additional reduction to 17% (effective from 1 April 2020) was announced in the Budget on 16 March 2016. This will further reduce the company's future tax charge.



## Notes (forming part of the financial statements)

### 9 Investments

	Shares in group undertakings £'000	Total £'000
<b>Cost</b>		
At 1 April 2015	15,749	15,749
At 31 March 2016	<b>15,749</b>	<b>15,749</b>
<b>Provisions</b>		
At 1 April 2015	-	-
Provided in year	-	-
At 31 March 2016	-	-
<b>Net book value</b>		
At 31 March 2016	<b>15,749</b>	<b>15,749</b>
At 31 March 2015	15,749	15,749

The Company has the following investments in subsidiaries, associates and jointly controlled entities:

#### Directly held by the Company:

Infinis Capital Limited

#### Indirectly held by the Company:

A'Chruach Extension Wind Farm Limited	
A'Chruach Phase 2 Wind Farm Limited	
A'Chruach Wind Farm Limited	
Ardrossan Wind Farm (Scotland) (Holdings) Limited	
Ardrossan Wind Farm (Scotland) Limited	Incorporated in Scotland
Argyle Wind (Holdings) Limited	
Aveley Methane Limited	50% owned
Bidston Methane Limited	50% owned
Blackborough End Energy Limited	
Blackstone Edge Wind Farm Limited	
Braes of Doune Wind Farm (Topco) Limited	
Bruno Wind (Holdings) Limited	
Bullamoor Extension Wind Farm Limited	
Bullamoor Wind Farm Limited	
Burnhead Wind Farm Limited	Dissolved 19 May 2015
Cefn Croes Windfarm Limited	Dissolved 2 June 2016
Corston Windfarm Limited	Dissolved 2 June 2016
Costessey Energy Limited	
Cummings Hill Wind Farm Limited	
Dalswinton Windfarm (Scotland) Limited	Incorporated in Scotland
Damside Wind Farm Limited	Dissolved 19 May 2015
Galawhistle Wind Farm Extension Limited (previously	

**Notes (forming part of the financial statements)**

Duncow Common Wind Farm Limited)	
Galawhistle Wind Farm Limited	
Gengas Limited	
Glenkerie Extension Wind Farm Limited	
Glenkerie Holdings Limited	
Glenkerie Wind Farm Limited	
Glentagart Wind Farm Limited	
Gordonstown Hill Wind Farm Limited	
Hill of Fiddes Wind Farm Limited	
Hill of Fishrie Wind Farm Limited	
Holbeach St Marks Wind Farm Limited	
Infinis (Re-Gen) Limited	
Infinis Alternative Energies Limited	
Infinis Argyle Limited	
Infinis Ashington Limited	Incorporated 16 July 2015
Infinis Blue Sky 1 Limited	Incorporated 19 May 2015
Infinis China (Investments) Limited	
Infinis Construction ServiceCo Limited	Incorporated 15 June 2016
Infinis Energy Holdings Limited	
Infinis Energy Hong Kong Limited	Incorporated in Hong Kong
Infinis Energy Services Limited	
Infinis Estates Limited	
Infinis Gala Limited	
Infinis Gala 1 Limited	
Infinis Hydro Limited	
Infinis Hydro Holdings Limited	
Infinis OpServiceCo Limited	Incorporated 14 June 2016
Infinis plc	
Infinis Renewables Generation (GB 2) Limited	
Infinis Renewables Generation (GB) Limited	Incorporated in Scotland
Infinis Sisters (Holdings) Limited	Incorporated 13 July 2015
Infinis Wind (Greengairs) Limited	
Infinis Wind Development Holdings Limited	
Infinis Wind Development 1 Limited	
Infinis Wind Development 2 Limited	
Infinis Wind Holdings Limited	
Infinis Wind Holdings 2 Limited	
Jupiter Acquisitions (Holdings) Limited	
Jupiter Acquisitions Limited	
Lindley Moor Wind Farm Limited	
Lissett Airfield (Holdings) Limited	
Lissett Airfield Wind Farm Limited	
Low Spinney Wind Farm Limited	
Maestro (Holdings 1) Limited	
Maestro (Holdings 2) Limited	
Mayton Wood Energy Limited	
Melin Court Wind Farm Limited	
Minsca Windfarm (Scotland) Limited	Incorporated in Scotland
Musdale Wind Farm Limited	
Mynydd Clogau Windfarm (Holdings) Limited	
Mynydd Clogau Windfarm Limited	
Mynydd Pen-y-Graig Wind Farm Limited	
Mynydd y Glyn Wind Farm Limited	
Nant-yr-Ast Wind Farm Limited	
North Steads Wind Farm Holdings Limited	Acquired 22 June 2015
North Steads Wind Farm Limited	Acquired 22 June 2015
Novera Acquisitions Limited	
Novera Energy (Holdings 1) Limited	

## Notes (forming part of the financial statements)

Novera Energy (Holdings 2) Limited	
Novera Energy Generation No. 1 Limited	
Novera Energy Generation No. 2 Limited	
Novera Energy Generation No. 3 Limited	
Novera Energy Limited	
Novera Energy Pty Limited	Incorporated in Australia
Novera Energy Operating Services Limited	
Novera Energy Services UK Limited	
Novera Renewable Energy Limited	Incorporated in Bermuda, dissolved 29 April 2016
Novera Ventures Limited	
Polska spz.o	Incorporated in Poland, 80% owned
Prysan Windfarm Limited	Dissolved 2 June 2016
Renewable Power Generation Limited	
Rheidol Wind Farm (Holdings) Limited	
Rheidol Wind Farm Limited	
Scottish BioFuel Limited	Incorporated in Scotland
Scottish BioPower Limited	Incorporated in Scotland
Seamer Wind Farm Limited	
Sisters Wind Farm Limited	
Slieve Divena Wind Farm Limited	Incorporated in Northern Ireland
South Wales Power Limited	Dissolved 2 June 2016
Stony Hill Wind Farm Limited	
Tedder Hill Wind Farm Limited	
Tibberchindy Wind Farm Limited	
Westfield Wind Farm Limited	
Windy Edge Wind Farm Limited	
Wingate Grange Wind Farm Limited	
Wingates Wind Farm Limited	

Unless otherwise stated all of the companies listed above are incorporated in England and Wales and the Company owned 100% of the ordinary share capital of the companies at both 31 March 2016 and 31 March 2015.

## 10 Debtors

	2016	2015
	£'000	£'000
Amounts owed by group undertakings	<b>84,103</b>	39,399
	<b>84,103</b>	39,399
	<b>84,103</b>	39,399
Due within one year	<b>84,103</b>	39,399

## Notes (forming part of the financial statements)

### 11 Creditors: amounts falling due within one year

	2016	2015
	£'000	£'000
Amounts owed to group undertakings	48,702	11,038
Taxation	66	16
	<u>48,768</u>	<u>11,054</u>

### 12 Capital and reserves

#### Share capital

	2016	2015	2016	2015
	Number	Number	£'000	£'000
<b>Allotted, called up and fully paid</b>				
Ordinary shares of £1 each	<u>15,760,821</u>	<u>15,760,821</u>	<u>15,760</u>	<u>15,760</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.

### 14 Financial Instruments

#### Capital management

The Infinis Energy Group has policies that seek to match long-term assets with long-term finance and to ensure there is sufficient working capital to meet the Group's commitments as they fall due, comply with the loan covenants and continue to sustain trading. Management will continue to monitor actual cash flows against approved cash flow forecasts. Capital management for the Company falls under these policies. The Infinis Energy Group continues to be a highly cash generative business that is able to support the financing arrangements that are secured on those individual businesses. However, the Group has a further financing arrangement of £205,000,000 that is due to be repaid on 28 December 2016. The disclosures in Note 1 provide background to the Group's ability to repay and/or refinance this £205,000,000 liability.

#### Financial instruments

Financial instruments comprise interest rate swaps, trade and other debtors, cash and cash equivalents, loans and borrowings, trade and other creditors. Financial instruments give rise to credit, liquidity and interest rate risks. Information about these risks and how they are managed is set out below.

## Notes (forming part of the financial statements)

### Financial risk management - measurement

Financial instruments are classified into the following levels based upon the degree to which fair value is obtainable:

Level 1 – fair values from quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – those fair values derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 – those fair values derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value of derivative financial instruments is based on broker quotes and classified as Level 2. These quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date.

All other financial instruments are classified as Level 3 and are measured at amortised cost.

	Carrying value 2016 £'000	Fair Value 2016 £'000	Carrying value 2015 £'000	Fair Value 2015 £'000
Cash and cash equivalents	-	-	5,426	5,426
Loans and receivables				
Amounts owed by group undertakings	84,103	84,103	39,399	39,399
Total financial assets	84,103	84,103	44,825	44,825
Trade and other creditors	66	66	16	16
Amounts owed to group undertakings	48,702	48,702	11,038	11,038
Total financial liabilities	48,768	48,768	11,054	11,054

### Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from group undertakings.

## **Notes (forming part of the financial statements)**

### **Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Short-term liquidity is reviewed daily by the Infinis Energy Group Treasury function, while the longer-term liquidity position is reviewed on a regular basis by the Directors.

The Company's policy is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or damage to the Company's reputation.

### **Market risk – interest rate risk**

The Company adopts a policy of ensuring at least 80% of its exposure to changes in interest rates on borrowing is on a fixed rate basis, taking into account assets with exposures to changes in interest rates. The Company enters into and designates interest rate swaps as hedges of the variability in cash flow attributed to interest rate risk.

The Company does not account for any fixed rate financial asset and liabilities at fair value through profit or loss, and therefore a change in interest rates would not affect the Profit and Loss account.

### **Financial liabilities**

Trade and other creditors are due for settlement within one year and do not accrue interest. Amounts due to group undertakings are payable on demand, and have a nominal interest rate of between nil and 11%.

## **15 Related parties**

The Company is a wholly-owned subsidiary of the group headed by Infinis Energy Limited (the "Infinis Energy Group"). Infinis Energy Limited has 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), has 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. is, following the sanctioning of the Scheme of Arrangement on 17 December 2015, 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 year (2015: £nil), there were no balances outstanding between the Company and Terra Firma at the end of the year (2015: £nil).

## **16 Ultimate parent company and ultimate controlling entity**

The Company is a member of the Infinis Energy Group.

Monterey Capital II S. à r.l., a company registered in Luxembourg, is the sole shareholder of Infinis Energy Limited. The ultimate controlling entity is TFCP Capital Investments Limited, a company registered in Guernsey. The ultimate controlling party is Guy Hands.

The head of the smallest and largest group for which consolidated financial statements are prepared and of which the Company is a member is Infinis Energy 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)**

**17 Subsequent events**

There were no subsequent events.

**18 Accounting estimates and adjustments**

Key assumptions and sources of estimation

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 of investments***

The Company determines whether investments in subsidiaries are impaired at least on an annual basis. This requires an estimation of the value-in-use of the CGU to which investments in subsidiaries are allocated. Estimating a value-in-use amount requires management to make an estimation of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows.