

Novera Energy Limited

Directors' report and financial statements

Registered number 06163576

Year ended 31 March 2013

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Directors' report

The directors (the "Directors") present their Directors' report and audited financial statements for Novera Energy Limited (the "Company") for the year ended 31 March 2013

Principal activities

The principal activity of the Company is that of a holding company involved in the ownership and financing of companies carrying out renewable energy generation

Review of business

As the Company is primarily a holding company, there are no key performance indicators by which to measure the performance of the Company

The principal operational risks and uncertainties faced by the Company mirror those of its subsidiaries and relate to the availability of land filled gas sites resulting in less electricity generation. Government legislation regarding renewables, and relationships with site owners

Results and dividend

The operating loss for the year amounted to £7,000 (2012: £9,000 profit). The loss for the year of £5,000 (2012: £15,000 profit) will be taken to reserves. The Directors do not recommend the payment of a dividend (2012: £nil)

Future developments

No change in activities is anticipated in the future

Charitable and political donations

The Company made no political donations or incurred any political expenditure during the year (2012: £nil). There were no charitable donations made during the year (2012: £nil)

Directors

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

S C Gibbins
S N Hardman
E P M Machiels
G A Boyd
P J Gregson

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 the deed of indemnity, 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 the Companies Act 2006

The 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

Directors' report (*continued*)

Auditor

In accordance with section 487 of the Companies Act 2006 KPMG LLP (a) was deemed to be reappointed as auditor of the Company for the financial year ended 31 March 2013 at the end of the last period for appointing the auditor and (b) is expected to be deemed to be reappointed as auditor of the Company for the financial year ended 31 March 2014 at the end of the next period for appointing the auditor

On behalf of the board

G A Boyd
Director

21/10/13



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

Statement of Directors' responsibilities in respect of the Directors' report and 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)

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 Novera Energy Limited

We have audited the financial statements of Novera Energy Limited for the year ended 31 March 2013 set out on pages 5 to 12. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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

Respective responsibilities of Directors and auditor

As explained more fully in the Directors' responsibilities statement 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 2013 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.

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.

 20 March 2013

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

for the year ended 31 March 2013

	2013	2012
Note	£'000	£'000
Administrative expenses	(7)	9
(Loss)/profit on ordinary activities before taxation	(7)	9
Taxation credit on (loss)/profit on ordinary activities	4 2	6
(Loss)/profit for the financial year	9 (5)	15

The Company has no recognised gains and losses other than as shown above and therefore no separate statement of total recognised gains and losses has been presented

In the current and prior year all of the results relate to continuing activities

The notes on pages 7 to 12 form part of these financial statements

Balance sheet

at 31 March 2013

	Note	2013 £'000	2012 £'000
Fixed assets			
Investments	5	<u>68,126</u>	<u>68,126</u>
Current assets			
Debtors	6	<u>12,408</u>	<u>12,483</u>
		<u>12,408</u>	<u>12,483</u>
Creditors amounts falling due within one year	7	<u>(31)</u>	<u>(101)</u>
Net current assets		<u>12,377</u>	<u>12,382</u>
Total assets less current liabilities		<u>80,503</u>	<u>80,508</u>
Net assets		<u>80,503</u>	<u>80,508</u>
Capital and reserves			
Called up share capital	8	7,242	7,242
Merger reserve	8	61,979	61,979
Share premium	8	13,787	13,787
Profit and loss account	9	<u>(2,505)</u>	<u>(2,500)</u>
Equity shareholder's funds	10	<u>80,503</u>	<u>80,508</u>

The financial statements were approved by the board of Directors on 21/10/13 and were signed on its behalf by



G A Boyd
Director
Company registration no. 06163576

Notes (forming part of the financial statements)

1 Accounting policies

Basis of preparation

The financial statements have been prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently throughout the year, is set out below.

Cash flow statement

The Company is a wholly-owned subsidiary of the group headed by Infinis Holdings (the "Infinis Holdings Group") and is included in the consolidated financial statements of Infinis Holdings. Consequently, in accordance with paragraph 5 (a) of FRS 1 (revised 1996) the Company is not required to publish a cash flow statement.

Related party exemption

As the Company is a wholly-owned subsidiary of the Infinis Holdings Group, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the Infinis Holdings Group. The consolidated financial statements of Infinis Holdings can be obtained from the address given in note 13.

Group accounts

The Company is an intermediate holding company which is wholly-owned by an immediate parent undertaking that is established under the law of a member state of the European Economic Community and therefore is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements.

Taxation

The credit for taxation is based on the loss for the year and takes into account deferred taxation because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Investments

Investments are stated at cost less provision for impairment.

Notes *(continued)*

2 Auditor's remuneration

	2013	2012
	£'000	£'000
Auditor's remuneration	<u>3</u>	<u>3</u>

Audit fees for the year ended 31 March 2013 and 31 March 2012 were borne by another group company

3 Directors' emoluments and employees

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

Notes (continued)

4 Taxation

	2013 £'000	2012 £'000
United Kingdom corporation taxation at 24% (2012 26%)		
Current tax on (loss)/profit in the year	(2)	2
Adjustment in respect of prior years	-	(8)
Total current tax credit	<u>(2)</u>	<u>(6)</u>
Total taxation credit	<u>(2)</u>	<u>(6)</u>

The tax assessed for the year is different from the standard rate of corporation tax in the UK 24% (2012 26%)

The differences are explained below

	2013 £'000	2012 £'000
(Loss)/profit on ordinary activities before taxation	<u>(7)</u>	<u>9</u>
(Loss)/profit on ordinary activities before taxation multiplied by the standard rate of corporation tax in the UK of 24% (2012 26%)	(2)	2
Effects of		
Adjustment to tax charge in respect of prior years	-	(8)
Current tax credit	<u>(2)</u>	<u>(6)</u>

The 2011 Budget on 23 March 2011 announced a reduction in the main rate of Corporation Tax rate of 28% over a period of 4 years from 1 April 2011. The rate was expected to reduce from 28% to 23% over this period. The first reduction from 28% to 26% was substantively enacted on 29 March 2011.

A reduction to 24% (effective from 1 April 2012) was substantively enacted on 26 March 2012.

A further reduction to 23% (effective from 1 April 2013) was substantively enacted on 3 July 2012.

The March 2013 Budget announced that the main rate of Corporation Tax of 23% will further reduce to 20% by 2015 in addition to the planned reduction to 21% by 2014 previously announced in the December 2012 Autumn Statement.

It has not yet been possible to quantify the full anticipated effect of the announced further 3% rate reduction, although this will further reduce the Company's future current tax rate.

Notes (continued)

5 Investments

£'000

At 31 March 2013 and 31 March 2012

68,126

The Company's principal subsidiary undertakings at 31 March 2013 were

Subsidiary undertakings	Country of incorporation	Principal activity	Classified percentage of shares
Directly held by the Company			
Novera Energy Pty Limited	Australia	Intermediate holding company	Ordinary 100%
Indirectly held by the company			
Novera Renewable Energy Limited	Bermuda	Intermediate holding company	Ordinary 100%
Novera Energy SARL	Luxembourg	Intermediate holding company	Ordinary 100%
Novera Energy (Holdings 1) Limited	England and Wales	Intermediate holding company	Ordinary 100%
Novera Ventures Limited	England and Wales	Developing renewable energy projects	Ordinary 100%
Novera Wind Energy Limited	England and Wales	Intermediate holding company	Ordinary 100%
Sisters Wind Farm Limited	England and Wales	Wind farm development	Ordinary 100%
A'Chruach Wind Farm Limited	England and Wales	Wind farm development	Ordinary 100%
Bullamoor Wind Farm Limited	England and Wales	Wind farm development	Ordinary 100%
Hill of Fishrie Wind Farm Limited	England and Wales	Wind farm development	Ordinary 100%
Glenkerie Wind Farm Limited	England and Wales	Generation and sale of electricity from onshore wind	Ordinary 100%
Lissett Airfield Wind Farm Limited	England and Wales	Generation and sale of electricity from onshore wind	Ordinary 100%

Notes (continued)

6 Debtors

	2013	2012
	£'000	£'000
Amounts owed by group undertakings	12,367	12,384
Corporation tax debtor	41	99
	<u>12,408</u>	<u>12,483</u>

The corporation tax debtor in the current and prior year relates to group relief receivable

7 Creditors - amounts falling due within one year

	2013	2012
	£'000	£'000
Amounts owed to group undertakings	31	98
Accruals and deferred income	-	3
	<u>31</u>	<u>101</u>

8 Called up share capital and reserves

	Ordinary shares	Merger reserve	Share premium	Total
	£'000	£'000	£'000	£'000
At 31 March 2012 and 2013	<u>7,242</u>	<u>61,979</u>	<u>13,787</u>	<u>83,008</u>

The Company has total issued share capital of 144,831,190 ordinary shares of £0.05 each. All shares are fully paid.

9 Reserves

	Profit and loss account
	£'000
At 1 April 2012	(2,500)
Loss for the financial year	(5)
At 31 March 2013	<u>(2,505)</u>

10 Reconciliation of movements in equity shareholder's funds

	2013	2012
	£'000	£'000
Opening equity shareholder's funds	80,508	80,493
(Loss)/profit for the financial year	(5)	15
Closing equity shareholder's funds	<u>80,503</u>	<u>80,508</u>

Notes (continued)

11 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 group

12 Related parties

Terra Firma Investments (GP) 2 Limited, acting as a 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 I L P ('Terra Firma'), has the ability to exercise a controlling influence through the holding of shares in a parent company. The Directors therefore consider Terra Firma to be a related party.

Infinis Holdings has the ability to exercise a controlling influence over the Company and other subsidiary undertakings. Consequently the Directors also consider these subsidiary undertakings to be related parties.

13 Ultimate controlling and immediate parent undertaking

The Directors regard Terra Firma Holdings Limited, a company registered in Guernsey, as the ultimate controlling entity. The ultimate controlling party is Guy Hands.

There were no transactions between the Company and Terra Firma Holdings Limited during the year.

Infinis Energy Limited is the immediate parent company and does not produce consolidated financial statements.

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

14 Post balance sheet events

On 30 July 2013 the Directors approved the following transactions relating to the Company's subsidiaries:

The transfer of all of the wind development trading assets of Novera Ventures Limited to Infinis Wind Development 2 Limited (formerly known as Novera Wind Energy Limited). These assets were valued at £2.8 million representing the net book value of fixed assets and stock based on the 31 March 2013 financial statements adjusted for the transactions during the period of sale.

The transfer by Novera Ventures Limited of the issued share capital of Infinis Wind Development 2 Limited to Infinis Wind Development Holdings Limited (formerly known as Cold Harbour Wind Farm Limited) for consideration of £35.5 million, representing the net asset value of the target company at 31 March 2013 and a value for A'Chruach, Bullamoor and Sisters Wind Farms' planning consents.