

# **Infinis Wind Holdings Limited**

**Annual report and financial statements**

**Registered number 07086998**

**Year ended 31 March 2016**

**TUESDAY**



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COMPANIES HOUSE

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## Directors' report

The directors (the "Directors") present their Directors' report and audited financial statements for Infinis Wind Holdings Limited (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 for a portfolio of operational wind farms and the provision of financing thereto.

### Directors

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

G A Boyd	(retired 12 November 2015)
S C Gibbins	(retired 30 April 2015)
P J Gregson	
S N Hardman	
S M Heyes	
T E Hinton	(appointed 28 October 2015)
E P M Machiels	
S S Pickering	(appointed 13 May 2015)

### 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  
20 May 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 Wind Holdings Limited**

We have audited the financial statements of Infinis Wind Holdings Limited for the year ended 31 March 2016 set out on pages 5 to 26. 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.

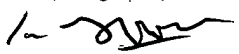
### **Opinion on other matters prescribed by the Companies Act 2006**

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; or
- the Directors were not entitled to the advantage of the Small Companies exemption from the requirement to prepare a strategic report.

 20 May 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		(140)	(95)
<b>Operating loss</b>		<b>(140)</b>	<b>(95)</b>
Other interest receivable and similar income	4	30,146	31,450
Interest payable and similar charges	5	(25,046)	(26,040)
<b>Profit on ordinary activities before taxation</b>		<b>4,960</b>	<b>5,315</b>
Tax on profit on ordinary activities	6	(675)	(1,068)
<b>Profit for the financial year</b>		<b>4,285</b>	<b>4,247</b>
<b>Other comprehensive income</b>			
<i>Items that are or may be reclassified subsequently to profit or loss:</i>			
Effective portion of changes in fair value of cash flow hedges		(1,075)	(8,198)
Income tax on items that are or may be reclassified subsequently to profit or loss		140	1,721
		(935)	(6,477)
<b>Other comprehensive income for the year, net of income tax</b>		<b>(935)</b>	<b>(6,477)</b>
<b>Total comprehensive income for the year</b>		<b>3,350</b>	<b>(2,230)</b>

In the current year and prior year the results relate to continuing activities.

The notes on pages 8 to 26 form part of these financial statements.

## Balance sheet

at 31 March 2016

	Note	2016 £'000	2015 £'000
<b>Fixed assets</b>			
Intangible assets	7	79	79
Investments	8	33,409	33,409
		<u>33,488</u>	<u>33,488</u>
<b>Current assets</b>			
Debtors	9	393,881	408,671
Cash at bank and in hand		9,658	1,231
		<u>403,539</u>	<u>409,902</u>
<b>Creditors: amounts falling due within one year</b>	10	<u>(210,469)</u>	<u>(199,625)</u>
<b>Net current assets</b>		<u>193,070</u>	<u>210,277</u>
<b>Total assets less current liabilities</b>		<u>226,558</u>	<u>243,765</u>
<b>Creditors: amounts falling due after more than one year</b>	11	<u>(231,937)</u>	<u>(252,494)</u>
<b>Net liabilities</b>		<u>(5,379)</u>	<u>(8,729)</u>
<b>Capital and reserves</b>			
Called up share capital	13	-	-
Cashflow hedge reserve		(6,894)	(5,959)
Profit and loss account		1,515	(2,770)
<b>Shareholder's deficit</b>		<u>(5,379)</u>	<u>(8,729)</u>

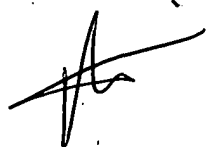
The notes on pages 8 to 26 form part of these financial statements.

The financial statements were approved by the board of Directors on 20 May 2016 and were signed on its behalf by:

**T E Hinton**

**Director**

Company registration no. 07086998



## Statement of Changes in Equity

	Called up share capital £'000	Cash flow hedge reserve £'000	Profit and loss account £'000	Total equity £'000
Balance at 1 April 2015	-	(5,959)	(2,770)	(8,729)
<b>Total comprehensive income for the year</b>				
Profit for the year	-	-	4,285	4,285
Other comprehensive income	-	(935)	-	(935)
<b>Total comprehensive income for the year</b>	-	(935)	4,285	3,350
<b>Transactions with owners, recorded directly in equity</b>				
Total contributions by and distributions to owners	-	-	-	-
<b>Balance at 31 March 2016</b>	-	(6,894)	1,515	(5,379)

	Called up share capital £'000	Cash flow hedge reserve £'000	Profit and loss account £'000	Total equity £'000
Balance at 1 April 2014	-	518	(7,017)	(6,499)
<b>Total comprehensive income for the year</b>				
Profit for the year	-	-	4,247	4,247
Other comprehensive income	-	(6,477)	-	(6,477)
<b>Total comprehensive income for the year</b>	-	(6,477)	4,247	(2,230)
<b>Transactions with owners, recorded directly in equity</b>				
Total contributions by and distributions to owners	-	-	-	-
<b>Balance at 31 March 2015</b>	-	(5,959)	(2,770)	(8,729)



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

### **1 Accounting policies**

#### **Basis of preparation**

Infinis Wind Holdings Limited 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. An explanation of how the transition to FRS 101 has affected the reported financial position and financial performance of the Company is provided on pages 24 to 26.

IFRS 1 grants certain exemptions from the full requirements of Adopted IFRSs in the transition period. The following exemptions have been taken in these financial statements:

Business combinations – Business combinations that took place prior to 1 April 2014 have not been restated.

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, tangible fixed assets, intangible assets;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- 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.

#### **Measurement convention**

The financial statements are prepared on the historical cost basis except for the following assets and liabilities which are stated at their fair value: derivative financial instruments and financial instruments classified as fair value through the profit or loss or as available-for-sale.

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

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

#### **Going concern**

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

#### **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.

#### **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.

#### **Goodwill**

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units. It is not amortised but is tested annually for impairment. This is not in accordance with The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 which requires that all goodwill be amortised. The directors consider that this would fail to give a true and fair view of the profit for the year and that the economic measure of performance in any period is properly made by reference only to any impairment that may have arisen. It is not practicable to quantify the effect on the financial statements of this departure.

#### **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. For goodwill the recoverable amount is estimated each year at the same time.

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

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

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"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units, or ("CGU"). Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

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.

An impairment loss in respect of goodwill is reversed if and only if the reasons for the impairment have ceased to apply. In respect of other assets, 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.

#### **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**

##### ***Derivative financial instruments***

The Company utilises derivative financial instruments in the normal course of business in order to hedge its exposure to fluctuations in interest rates and exchange rates.

Derivative financial instruments are recognised at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged (see below).

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

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

#### *Cash flow hedges*

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability, or a highly probable forecast transaction, the effective part of any gain or loss on the derivative financial instrument is recognised directly in the hedging reserve. Any ineffective portion of the hedge is recognised immediately in the profit and loss account.

When a hedging instrument expires or is sold, terminated or exercised, or the entity revokes designation of the hedge relationship but the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that point remains in equity and is recognised in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss recognised in equity is recognised in the profit and loss account immediately.

#### *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.

#### *Interest-bearing borrowings*

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the profit and loss account over the period of the borrowings on an effective interest basis.

#### *Trade and other creditors*

Trade and other creditors are carried at cost.

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

**2 Auditor's remuneration**

	<b>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>
Audit of these financial statements	<b>5</b>	<b>5</b>

Audit fees for the year ended 31 March 2016 and for the year ended 31 March 2015 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 current year or prior year, nor are they employees of the Company. The Company had no employees during the current year or prior year.

**4 Other Interest receivable and similar income**

	<b>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>
Receivable from group undertakings	<b>30,146</b>	<b>31,450</b>
	<b>30,146</b>	<b>31,450</b>

**5 Interest payable and similar charges**

	<b>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>
Payable to group undertakings	<b>13,306</b>	<b>13,440</b>
Payable on bank loans	<b>10,677</b>	<b>11,540</b>
Amortisation of fees	<b>1,063</b>	<b>1,060</b>
	<b>25,046</b>	<b>26,040</b>

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

**6 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	(935)	(1,118)
Adjustment in respect of prior years	-	167
<b>Total current tax</b>	<b>(935)</b>	<b>(951)</b>
<i>Deferred tax</i>		
Origination and reversal of temporary differences	(58)	-
Adjustment in respect of prior years	330	(117)
Reduction in tax rate	(12)	-
<b>Total deferred tax</b>	<b>260</b>	<b>(117)</b>
<b>Tax on profit on ordinary activities</b>	<b>(675)</b>	<b>(1,068)</b>

**Income tax recognised in other comprehensive income**

	2016 £'000	2015 £'000
Effective portion of changes in fair value of cash flow hedges	140	1,721
	<b>140</b>	<b>1,721</b>

## Notes (forming part of the financial statements)

### Reconciliation of effective tax rate

	2016 £'000	2015 £'000
Profit for the year	4,285	4,247
Total tax expense	675	1,068
Profit excluding taxation	4,960	5,315
Tax using the UK corporation tax rate of 20% (2015: 21%)	(992)	(1,116)
Non-deductible expenses	(1)	(2)
Reduction in tax rate on deferred tax balances	(12)	-
Adjustments relating to prior periods	330	50
Total tax expense	(675)	(1,068)

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. The full effect of this reduction has been reflected in the deferred tax figures of these financial statements. 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, there will be no impact on the deferred tax balance at 31 March 2016.

## 7 Intangible fixed assets

	Goodwill £'000	Total £'000
Cost		
At 31 March 2016	79	79
At 31 March 2015	79	79

The Company has elected not to restate goodwill as at the date of transition for the impact of accumulated depreciation previously permitted under its old basis of accounting. Accordingly the company has recognised the goodwill less accumulated amortisation as the deemed cost as at the date of transition, subsequent to which an amortisation expense recognised in the year ended 31 March 2015 of £14,000 has been reversed. There were no related tax adjustments.



## Notes (forming part of the financial statements)

### 8 Investments

	Shares in group undertakings £'000	Total £'000
<b>Cost</b>		
At 1 April 2015	33,409	33,409
At 31 March 2016	<b>33,409</b>	<b>33,409</b>
<b>Provisions</b>		
At 31 March 2016	-	-
<b>Net book value</b>		
At 31 March 2016	<b>33,409</b>	<b>33,409</b>
At 31 March 2015	33,409	33,409

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

#### Directly held by the Company:

Ardrossan Wind Farm (Scotland) Holdings Limited	Lissett Airfield (Holdings) Limited
Bruno Wind Farm Holdings Limited	Maestro (Holdings1) Limited
Glenkerie Holdings Limited	Mynydd Clogau Windfarm (Holdings) Limited
Jupiter Acquisitions (Holdings) Limited	Rheidol Wind Farm (Holdings) Limited

#### Indirectly held by the Company:

Ardrossan Wind Farm (Scotland) Limited *	Slieve Divena Wind Farm Limited **
Jupiter Acquisitions Limited	Hill of Fiddes Wind Farm Limited
Maestro (Holdings 2) Limited	Seamer Wind Farm Limited
Mynydd Clogau Windfarm Limited	Low Spinney Wind Farm Limited
Rheidol Wind Farm Limited	Tedder Hill Wind Farm Limited
Lissett Airfield Wind Farm Limited	Blackstone Edger Wind Farm Limited
Glenkerie Wind Farm Limited	Wingates Wind Farm Limited
Dalswinton Windfarm (Scotland) Limited *	Westfield Wind Farm Limited
Minsca Windfarm (Scotland) Limited *	Gordonstown Hill Wind Farm Limited
Infinis Renewables Generation (GB) 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.

\* Incorporated in Scotland

\*\* Incorporated in Northern Ireland

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

**9 Debtors**

	2016 £'000	2015 £'000
Amounts owed by group undertakings	391,897	407,061
Other debtors	-	26
Deferred tax assets	1,984	1,584
	<b>393,881</b>	<b>408,671</b>
Due within one year	391,897	407,087
Due after more than one year	1,984	1,584

**Deferred tax assets and liabilities**

**Recognised deferred tax assets and liabilities**

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Other timing differences	260	-	-	-	260	-
Derivative financial instruments	1,724	1,584	-	-	1,724	1,584
	<b>1,984</b>	<b>1,584</b>	<b>-</b>	<b>-</b>	<b>1,984</b>	<b>1,584</b>

**Movement in deferred tax during the year**

	1 April 2015 £'000	Recognised in income £'000	Recognised in equity £'000	Effect of rate change £'000	31 March 2016 £'000
Other timing differences	-	272	-	(12)	260
Derivative financial instruments	1,584	-	140	-	1,724
	<b>1,584</b>	<b>272</b>	<b>140</b>	<b>(12)</b>	<b>1,984</b>

## Notes (forming part of the financial statements)

### Movement in deferred tax during the prior year

	1 April 2014 £'000	Recognised in income £'000	Recognised in equity £'000	Effect of rate change £'000	31 March 2015 £'000
Tax value of loss carry-forwards utilised	117	(117)	-	-	-
Derivative financial instruments	(137)	-	1,721	-	1,584
	<u>(20)</u>	<u>(117)</u>	<u>1,721</u>	<u>-</u>	<u>1,584</u>

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

	2016 £'000	2015 £'000
Bank loans and overdrafts	21,631	20,855
Trade creditors	5	-
Amounts owed to group undertakings	177,944	177,352
Taxation	10,715	1,268
Accruals	59	29
Interest payable	115	121
	<u>210,469</u>	<u>199,625</u>

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

	2016 £'000	2015 £'000
Other financial liabilities	8,617	7,543
Bank loans and overdrafts	223,320	244,951
	<u>231,937</u>	<u>252,494</u>

Other financial liabilities comprise the fair values of interest rate swaps. The Company has entered into interest rate swaps in order to mitigate interest rate risk, which arises in respect of its long-term debt borrowed at a floating interest rate. The instruments seek to match the terms of the underlying debt, which gives the effect of the Company paying fixed rate interest over the remaining term of the debt.

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

**12 Interest-bearing loans and borrowings**

	2016 £'000	2015 £'000
<b>Creditors falling due more than one year</b>		
Secured bank loans	21,631	20,855
	<u>21,631</u>	<u>20,855</u>
<b>Creditors falling due within less than one year</b>		
Secured bank loans	223,320	244,951
	<u>223,320</u>	<u>244,951</u>

At 31 March 2016 the carrying value of the debt included £4,773,000 (2015: £5,837,000) of unamortised capitalised fees.

**Maturity of debt**

	2016 £'000	2015 £'000
In less than one year	21,631	20,855
In more than one year, but not more than five years	78,984	82,328
In more than five years	144,336	162,623
	<u>244,951</u>	<u>265,806</u>

**Terms and debt repayment schedule**

	Currency	Nominal interest rate	Year of maturity	Face value 2016 £'000	Carrying value 2016 £'000	Face value 2015 £'000	Carrying value 2015 £'000
Secured bank loans	GBP	2.1% + LIBOR	2020	249,724	244,951	271,642	265,806
				<u>249,724</u>	<u>244,951</u>	<u>271,642</u>	<u>265,806</u>

## Notes (forming part of the financial statements)

### 13 Capital and reserves

#### Share capital

	2016 Number	2015 Number	2016 £'000	2015 £'000
<b>Allotted, called up and fully paid</b>				
Ordinary shares of £1 each	1	1	-	-

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.

### 14 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.

### 15 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.

#### 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.

#### 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.

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

	Carrying value 2016 £'000	Fair Value 2016 £'000	Carrying value 2015 £'000	Fair Value 2015 £'000
Cash and cash equivalents	9,658	9,658	1,231	1,231
Loans and receivables				
Amounts owed by group undertakings	391,897	391,897	407,061	407,061
Other debtors	-	-	26	26
<b>Total financial assets</b>	<b>401,555</b>	<b>401,555</b>	<b>408,318</b>	<b>408,318</b>
Trade and other creditors	10,894	10,894	1,418	1,418
Amounts owed to group undertakings	177,944	177,944	177,352	177,352
Interest bearing loans	244,951	244,951	265,806	265,806
Derivative financial instruments	8,617	8,617	7,543	7,543
<b>Total financial liabilities</b>	<b>442,406</b>	<b>442,406</b>	<b>452,119</b>	<b>452,119</b>

**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.

**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%.

## Notes (forming part of the financial statements)

Contractual maturities of bank loans and derivatives including estimated interest payments are as follows:

	Year of maturity	Nominal interest rate	Carrying and fair value £'000	Cash flows £'000	Within one year £'000	Two to five years £'000	Over five years £'000
<b>31 March 2016</b>							
Bank loan	2020	2.1% + LIBOR	244,951	303,102	29,263	105,647	168,192
Derivatives	2020	Pay fixed 1.996%, receive LIBOR	8,617	8,617	2,717	5,900	-
<b>31 March 2015</b>							
Bank loan	2020	2.1% + LIBOR	265,806	340,673	29,237	116,306	195,130
Derivatives	2020	Pay fixed 1.996%, receive LIBOR	7,543	7,543	3,287	4,207	49

## 16 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).

## 17 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.

Infinis Energy Holdings Limited is the immediate parent company and does not produce consolidated accounts.

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.

## 18 Subsequent events

There were no subsequent events.

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

### **19 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.

### **20 Explanation of transition to FRS101**

As stated in note 1, these are the Company's first financial statements prepared in accordance with FRS101.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 March 2016, the comparative information presented in these financial statements for the year ended 31 March 2015 and in the preparation of an opening FRS101 balance sheet at 1 April 2014 (the Company's date of transition)

In preparing its FRS101 balance sheet, the Company has adjusted amounts reported previously in financial statements prepared in accordance with its old basis of accounting (UK GAAP). An explanation of how the transition from UK GAAP to FRS101 has affected the Company's financial position, financial performance is set out in the following tables and the notes that accompany the tables.



## Notes (forming part of the financial statements)

### Reconciliation of Profit and Loss Account

for the year ended 31 March 2015

	Note	UK GAAP £'000	Effect of transition to FRS101 £'000	FRS101 £'000
Administrative expenses	(i)	(109)	14	(95)
<b>Operating profit</b>		(109)	14	(95)
Other interest and similar income		31,450	-	31,450
Interest payable and similar charges		(26,040)	-	(26,040)
<b>Profit on ordinary activities before taxation</b>		5,301	14	5,315
Tax on profit on ordinary activities		(1,068)	-	(1,068)
<b>Profit for the financial year</b>		4,233	14	4,247
<b>Other comprehensive income</b>				
<i>Items that are or may be reclassified subsequently to profit or loss</i>				
Effective portion of changes in fair value of cash flow hedges	(ii)	-	(8,198)	(8,198)
Income tax on items that are or may be reclassified subsequently to profit or loss	(iii)	-	1,721	1,721
<b>Other comprehensive income for the year, net of tax</b>		-	(6,477)	(6,477)
<b>Total comprehensive income for the year</b>		4,233	(6,463)	(2,230)

The adjustments arising on transition to FRS101 comprise:

- (i) Reversal of the charge for the amortisation of goodwill, there was no related tax adjustment as the charge had been previously been treated as a non-deductible expense.
- (ii) The movement on fair value of interest rate swap derivatives (see note 12) and (iii) the associated deferred tax which is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised.

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

**Reconciliation of equity**

	Note	At 1 April 2014			At 31 March 2015		
		UK GAAP £'000	Effect of transition to FRS101 £'000	FRS101 £'000	UK GAAP £'000	Effect of transition to FRS101 £'000	FRS101 £'000
<b>Fixed assets</b>							
Intangible assets	(i)	79	-	79	65	14	79
Investments		33,409	-	33,409	33,409	-	33,409
Derivatives	(ii)	-	655	655	-	-	-
		<u>33,488</u>	<u>655</u>	<u>34,143</u>	<u>33,474</u>	<u>14</u>	<u>33,488</u>
<b>Current assets</b>							
Debtors	(iii)	441,210	(117)	441,093	407,087	1,584	408,671
Cash at bank and in hand		1,303	-	1,303	1,231	-	1,231
		<u>442,513</u>	<u>(117)</u>	<u>442,396</u>	<u>408,318</u>	<u>1,584</u>	<u>409,902</u>
<b>Creditors: amounts falling due within one year</b>		<u>(217,213)</u>	<u>-</u>	<u>(217,213)</u>	<u>(199,625)</u>	<u>-</u>	<u>(199,625)</u>
<b>Net current assets</b>		<u>225,300</u>	<u>(117)</u>	<u>225,183</u>	<u>208,693</u>	<u>1,584</u>	<u>210,277</u>
<b>Total assets less current liabilities</b>		<u>258,788</u>	<u>538</u>	<u>259,326</u>	<u>242,167</u>	<u>1,598</u>	<u>243,765</u>
<b>Creditors: amounts falling due after more than one year</b>	(ii)	(265,805)	-	(265,805)	(244,951)	(7,543)	(252,494)
<b>Provision for liabilities</b>							
Deferred tax liability	(iii)	-	(20)	(20)	-	-	-
		<u>-</u>	<u>(20)</u>	<u>(20)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net assets</b>		<u>(7,017)</u>	<u>518</u>	<u>(6,499)</u>	<u>(2,784)</u>	<u>(5,945)</u>	<u>(8,729)</u>
<b>Capital and reserves</b>							
Cashflow hedge reserve		-	518	518	-	(5,959)	(5,959)
Profit and loss account		(7,017)	-	(7,017)	(2,784)	14	(2,770)
<b>Shareholder's funds</b>		<u>(7,017)</u>	<u>518</u>	<u>(6,499)</u>	<u>(2,784)</u>	<u>(5,945)</u>	<u>(8,729)</u>

The adjustments arising on transition to FRS101 comprise:

(i) Reversal of the charge for the amortisation of goodwill, there was no related tax adjustment as the charge had been previously been treated as a non-deductible expense. The Company has taken the option of not restating the carrying value of goodwill at the transition date for accumulated amortisation to that date.

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

(ii) The recognition of fair value of interest rate swap derivatives, at transition date an asset of £655,000 and at 31 March 2015 a liability of £7,543,000. The movements in fair value have been recognised in Other Comprehensive Income and booked to a cash flow hedge reserve within shareholder's funds.

(iii) The recognition of deferred tax on the fair value of interest rate swap derivatives. 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