

Chaptre Greenco Limited

COMPANY NUMBER 10976426

**Strategic Report, Directors' Report and Financial Statements
for the financial period 22 September 2017 to 31 March 2018**

The Company's registered office is:
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London Road, Swanley
Kent, BR8 7AG
United Kingdom

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Chaptre Greenco Limited

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Chaptre Greenco Limited

Strategic Report

for the financial period 22 September 2017 to 31 March 2018

In accordance with a resolution of the directors (the "Directors") of Chaptre Greenco Limited (the "Group"), the Directors submit herewith the Strategic Report of the Group for the financial period 22 September 2017 to 31 March 2018 as follows:

Principal activities

The principal activity of the Group is to hold an interest in Chaptre Investments Limited, which it purchased on 21 December 2017. The Chaptre Greenco Group holds an interest in a Biomass energy Plant in the United Kingdom through its investment in Chaptre Holdings Limited.

Review of operations

The Group made a loss of £4,378,440 for financial period ended 31 March 2018. Chaptre Greenco, as a single entity, made a loss of £4,033,853 for financial period ended 31 March 2018.

As of 31 March 2018, the Group was in a net liability position of £4,378,340. Chaptre Greenco, as a single entity, was in a net liability position of £4,033,753.

Principal risks and uncertainties

From the perspective of the Group, the principal risks and uncertainties are integrated with the principal risks of the Chaptre Holdings Limited, through its interest in a Biomass energy Plant. Accordingly, the principal risks and uncertainties of Chaptre Holdings Limited (CHL), which include those of the Group, are discussed in CHL's financial statements and can be obtained from the address given in Note 17.

On 23 June 2018, a referendum was held on Britain's membership of the European Union ("EU"), which resulted in the decision to exit the EU. The economic, regulatory and legal environment as a result will depend on the nature of the transitional arrangements. The Group continues to assess the possible impacts.

Financial risk management

Risk is an integral part of the Group's businesses. The Group is exposed to a variety of financial risks that include the effects of credit risk, liquidity risk, operational risk, and exposure to the performance of its investment.

Additional risks faced by the Group include legal, compliance and documentation risk. Responsibility for management of these risks lies with the individual businesses giving rise to them, some of which are detailed below.

Chaptre Greenco Limited has outsourced the financial reporting function to HCP Social Infrastructure (UK) Limited ("HCP"). Authorities remain vested in the Board members of the company. HCP reports regularly to the Board of Chaptre Greenco Limited. The Board receives reports from HCP which specifically summarise and address the financial, contractual and commercial risks that Chaptre Greenco Limited is exposed to, and are pertinent to the industry in which the Chaptre Greenco Limited operates. The Board also receives management accounts with explanations of variances from annual budgets and forecasts, which are in turn compared to the Financial Model, which represents the long term business plan of the Chaptre Greenco Limited and outlines its ability to comply with its debt obligations and covenants. Material deviations from the business plan are investigated and reported on. Supporting this process, HCP evaluates its performance under the framework of an internal assessment programme which sits within its own Corporate Governance framework. This process ensures that the project remains robust and viable throughout the life of the contract.

Chaptre Greenco Limited

Strategic Report (continued)

for the financial period 22 September 2017 to 31 March 2018

Credit risk

Chaptre Greenco Limited only debt is due from fellow group companies. The directors therefore believe on the basis of the financial model, that Chaptre Greenco Limited faces no credit risk.

Liquidity risk

Chaptre Greenco Limited manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring Chaptre Greenco Limited has sufficient liquid resources to meet the operating needs of the business.

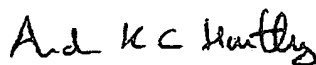
Interest rate risk

The Group has both interest bearing assets and interest bearing liabilities. Interest bearing assets include cash balances and receivables from other associate undertakings and external parties, all of which earn a variable rate of interest. Interest bearing liabilities include payables to other Group undertakings and external parties, which also incur a variable rate of interest.

Key performance indicators (KPIs)

Given the straightforward nature of the business and the information provided elsewhere in this report, the Directors are of the opinion that the production of KPIs in the Strategic Report is not necessary for an understanding of the development, performance or position of the business.

On behalf of the Board



A Hartley

25 February 2019

Director

Chaptre Greenco Limited

Company Number 10976426

Directors' Report for the financial period 22 September 2017 to 31 March 2018

In accordance with a resolution of the Directors of the Group, the Directors submit herewith the audited financial statements of the Group and report as follows:

Directors and Secretaries

The Directors who each held office as a Director of the Group throughout the period and until the date of this report, unless disclosed otherwise, were:

M Edgar	(appointed 1 October 2018)
A Hartley	(appointed 1 October 2018)
A Nancarrow	(appointed 22 September 2017)
C Archer	(appointed 22 September 2017, resigned 25 April 2018)
M Dooley	(appointed 22 September 2017, resigned 1 October 2018)
J Isherwood	(appointed 22 September 2017, resigned 27 September 2018)

The Secretaries who each held office as a Secretary of the Group throughout the period and until the date of this report, unless disclosed otherwise, were:

H Everitt	(appointed 3 November 2017, resigned 19 December 2018)
HCP Management Services Limited	(appointed 19 December 2018)

Principal activities

The principal activity of the Group is to hold an interest in Chaptre Investments Limited, which it purchased on 21 December 2017. The Chaptre Greenco Group holds an interest in a Biomass energy Plant in the United Kingdom through its investment in Chaptre Holdings Limited.

Results

The loss for the Group for the financial period 22 September 2017 to 31 March 2018 was £4,378,440. Chaptre Greenco Limited, as a single entity, made a loss for the period of £4,033,853.

Dividends paid or provided for

No dividends or distributions were declared or paid during the financial period. No final dividend has been proposed.

State of affairs

Chaptre Greenco Limited was incorporated on 22 September 2017 and issued 100 ordinary shares at £1 each to its parent, Chaptre Greenco Holdings Limited.

Chaptre Greenco Limited

Company Number 10976426

Directors' Report (continued) for the financial period 22 September 2017 to 31 March 2018

Events after the reporting period

On 5 October 2018, the Groups subsidiary, Chaptre Investments Limited, issued a further 48,323,255 shares to Chaptre Greenco Limited. At the date of this report, the Directors are not aware of any matter or circumstance which has arisen that has significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in the financial year subsequent to 31 March 2018 not otherwise disclosed in this report.

Likely developments, business strategies and prospects

The Directors believe that no significant changes are expected other than those already disclosed in this report.

Indemnification and Insurance of Directors

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the period and is currently in force. The ultimate parent purchased and maintained throughout the period directors' liability insurance in respect of the Company and its Directors.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Strategic Report, 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 period. Under that law the Directors have prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. The Directors are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Chaptre Greenco Limited

Company Number 10976426

Directors' Report (continued) for the financial period 22 September 2017 to 31 March 2018

Disclosure of information to auditors

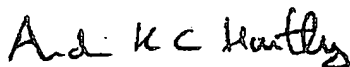
In the case of each Director in office at the date the Directors' Report is approved:

- so far as the Director is aware, there is no relevant audit information of which the Group's auditors are unaware; and
- they have 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 auditors are aware of that information.

Independent auditors

Pursuant to section 487(2) of the Companies Act 2006, the auditors of the Group are deemed re-appointed for each financial year unless the Directors or the members of the Group resolve to terminate their appointment. As at the date of these financial statements, the Directors are not aware of any resolution to terminate the appointment of the auditors.

On behalf of the Board



A Hartley
Director 25 February 2019

Independent auditors' report to the members of Chaptre Greenco Limited

Report on the audit of the financial statements

Opinion

In our opinion, Chaptre Greenco Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 31 March 2018 and of the group's loss and the group's and the company's cash flows for the 6 month period (the "period") then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the company's financial statements, as applied in accordance with the provisions of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Strategic report, Directors' Report and Financial Statements (the "Annual Report"), which comprise: the consolidated and company statements of financial position as at 31 March 2018; the consolidated income statement and statement of comprehensive income, the consolidated and company statements of cash flows, and the consolidated and company statements of changes in equity for the 6 month period then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's and company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's and company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union, which is currently due to occur on 29 March 2019, are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the period ended 31 March 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities set out on page 5, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or

- certain disclosures of directors' remuneration specified by law are not made; or
- the company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



John Dashwood (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Uxbridge

15th February 2019

Chaptre Greenco Limited

Financial Statements

Consolidated Income Statement for the financial period 22 September 2017 to 31 March 2018

For the period 22 September 2017 to 31 March 2018		
	Notes	£
Turnover		354,232
Administrative expenses	3	(1,340,623)
Operating loss		(886,391)
Finance income	4	852,987
Finance costs	5	(4,233,790)
Loss on ordinary activities before taxation		(4,367,194)
Tax on loss on ordinary activities	8	(11,246)
Loss for the financial period	13	(4,378,440)

The above consolidated income statement should be read in conjunction with the accompanying notes, which form an integral part of the financial statements.

Loss on ordinary activities before taxation relate wholly to continuing operations.

There were no other comprehensive income and expenses other than those included in the results above and therefore no separate statement of comprehensive income has been presented.

Chaptre Greenco Limited

Consolidated Statement of Financial Position as at 31 March 2018

	Notes	2018 £
Non-Current Assets		
Intangible assets	7	63,340,226
Trade and other receivables	7	5,003,412
Investments	7	118,191,839
Current assets		
Trade and other receivables	9	100
Cash and cash equivalents		17,059,049
Current liabilities		
Trade and other payables	10	(308,278)
Net current assets		16,750,871
Total assets less current liabilities		203,286,348
Creditors: amounts falling due after more than one period	11	(207,664,688)
Net liabilities		(4,378,340)
Equity		
Share Capital	12	100
Accumulated Losses	13	(4,378,440)
Total equity		(4,378,340)

The above statement of financial position should be read in conjunction with the accompanying notes, which form an integral part of the financial statements.

The financial statements on pages 10 to 24 were authorised for issue by the Board of Directors on February 2019 and were signed on its behalf by:

A. Hartley

A Hartley
Director

Chaptre Greenco Limited

Company Statement of Financial Position as at 31 March 2018

	Notes	2018 £
Non-current assets		
Trade and other receivables	7	97,157,780
Investments	7	89,561,080
Current assets		
Trade and other receivables	9	100
Cash and cash equivalents		17,059,049
Current liabilities		
Trade and other payables	10	(147,074)
Net current assets		16,912,075
Total assets less current liabilities		203,630,935
Creditors: amounts falling due after more than one period	11	(207,664,688)
Net liabilities		(4,033,753)
Capital and reserves		
Share Capital	12	100
Accumulated Losses	13	(4,033,853)
Total equity		(4,033,753)

The above statement of financial position should be read in conjunction with the accompanying notes, which form an integral part of the financial statements.

The company has not presented its own profit and loss account and related notes. The company's loss for the period was £4,033,853.

The financial statements on pages 10 to 24 were authorised for issue by the Board of Directors on February 2019 and were signed on its behalf by:

A. Hartley

A Hartley
Director

Chaptre Greenco Limited

Consolidated Statement of changes in equity for the financial period 22 September 2017 to 31 March 2018

	Notes	Called up share capital £	Share Premium account £	Profit and loss account £	Total shareholders' deficit £
Balance at 22 September 2017		-	-	-	-
Loss for the financial period	13	-	-	(4,378,440)	(4,378,440)
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive expense		-	-	(4,378,440)	(4,378,440)
Transactions with equity holders in their capacity as ordinary equity holders:					
Issue of ordinary shares	12	100	-	-	100
Balance at 31 March 2018		100	-	(4,378,440)	(4,378,340)

The above statement of changes in equity should be read in conjunction with the accompanying notes, which form an integral part of the financial statements.

Chaptre Greenco Limited

Company Statement of changes in equity for the financial period 22 September 2017 to 31 March 2018

	Notes	Called up share capital £	Share Premium account £	Profit and loss account £	Total shareholders' deficit £
Balance at 22 September 2017		-	-	-	-
Loss for the financial period	13	-	-	(4,033,853)	(4,033,853)
Other comprehensive Income, net of tax		-	-	-	-
Total comprehensive expense		-	-	(4,033,853)	(4,033,853)
Transactions with equity holders in their capacity as ordinary equity holders:					
Issue of ordinary shares	12	100	-	-	100
Balance at 31 March 2018		100	-	(4,033,853)	(4,033,753)

The above statement of changes in equity should be read in conjunction with the accompanying notes, which form an integral part of the financial statements.

Chaptre Greenco Limited

Consolidated Statement of cash flows for the financial period 22 September 2017 to 31 March 2018

	Notes	2018 £
Cash flows from operating activities		
Loss before interest and tax		(986,391)
Working capital adjustments:		
Increase in trade and other payables		162,074
Net cash used in operating activities		(824,317)
Cash flows from investing activities		
Interest received		12,923
Ringfenced cash amounts held as debtors		(5,000,000)
Purchase of share in subsidiary		(118,237,196)
Issue of loans to related parties		(62,323,258)
Net cash used in investing activities		(185,547,531)
Cash flows from financing activities		
Interest paid		(1,538,110)
Draw down of bank loans		204,969,007
Net cash generated from financing activities		203,430,897
Net increase in cash and cash equivalents		17,059,049
Cash and cash equivalents at beginning of period		-
Cash and cash equivalents at end of period		17,059,049

Chaptre Greenco Limited

Company Statement of cash flows for the financial period 22 September 2017 to 31 March 2018

	Notes	2018 £
Cash flows from operating activities		
Loss before interest and tax		(971,391)
<i>Working capital adjustments:</i>		
Increase in trade and other payables		147,074
Net cash used in operating activities		(824,317)
Cash flows from investing activities		
Interest received		12,923
Ringfenced cash amounts held as debtors		(5,000,000)
Purchase of share in subsidiary		(118,237,196)
Issue of loans to related parties		(62,323,258)
Net cash used in investing activities		(185,547,531)
Cash flows from financing activities		
Interest paid		(1,538,110)
Draw down of bank loans		204,969,007
Net cash generated from financing activities		203,430,897
Net increase in cash and cash equivalents		17,059,049
Cash and cash equivalents at beginning of period		-
Cash and cash equivalents at end of period		17,059,049

Chaptre Greenco Limited

Notes to the financial statements for the financial period 22 September 2017 to 31 March 2018

Note 1. General information

Chaptre Greenco Limited is a private company limited by shares and is incorporated and domiciled in the United Kingdom. The address of its registered office is 8 White Oak Square, London Road, Swanley, Kent, BR8 7AG, United Kingdom.

Chaptre Greenco Limited is the parent company of Chaptre Greenco Limited Group. The subsidiary undertaking of Chaptre Greenco Limited is Chaptre Investments Limited which is owned 100% by the parent entity.

Note 2. Summary of significant accounting policies

1) Basis of preparation

The principal accounting policies adopted in the preparation of these financial statements have been consistently applied to the period presented, unless otherwise stated.

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the European Union and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS, except otherwise stated.

The financial statements have been prepared under the historical cost basis. Principal accounting policies are set out below. The parent company has taken advantage of section 408 of the Companies Act 2006 and has not included its own Profit and Loss Account in these financial statements. The parent company's profit for the year was £4,378,440.

The consolidated financial statements of the company include the subsidiary undertaking, Chaptre Investments Limited. All intercompany balances and transactions have been eliminated in the financial statements.

Notes to the financial statements (continued) for the financial period 22 September 2017 to 31 March 2018

Note 2. Summary of significant accounting policies (continued)

Critical accounting estimates and significant judgements

The preparation of the financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the accounting policies. The notes to the financial statements set out areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the Group and the financial statements.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events.

Management believes the estimates used in preparing the financial statements are reasonable. Actual results in the future may differ from those reported and therefore it is reasonably possible, on the basis of existing knowledge, that outcomes within the next financial year that are different from our assumptions and estimates could require an adjustment to the carrying amounts of the assets and liabilities reported.

ii) *Going concern*

The Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing its financial statements.

iii) *Foreign currency translations*

Functional and presentation currency

Items included in the financial statements of foreign operations are measured using the currency of the primary economic environment in which the foreign operation operates (the functional currency). The Group's financial statements are presented in 'Pounds Sterling' (£), which is also the Group's functional currency.

Transactions and balances

Foreign currency transactions are recorded in the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

iv) *Turnover and expense recognition*

Turnover is measured at the fair value of the consideration received or receivable. Turnover is recognised for each major revenue stream as follows:

Net interest income/expense

Interest income and expense is brought to account using the effective interest method. The effective interest method calculates the amortised cost of a financial instrument and allocates the interest income or interest expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset or liability. Fees and transaction costs associated with loans are capitalised and included in the effective interest rate and recognised in the profit and loss account over the expected life of the instrument.

Notes to the financial statements (continued) for the financial period 22 September 2017 to 31 March 2018

Note 2. Summary of significant accounting policies (continued)

iv) Turnover and expense recognition (continued)

Other gains/losses

Other gains/losses comprises profit on sale of investment and other gains and losses relating to foreign exchange differences which are recognised in the income statement.

Expenses

Expenses are brought to account on an accrual basis and, if not paid at the end of the reporting period, are reflected on the balance sheet as a payable.

Turnover

Turnover for the financial period comprises fee revenue derived from investments.

v) Taxation

The principles of the balance sheet method of tax effect accounting have been adopted whereby the income tax expense for the financial period is the tax payable on the current period's taxable income adjusted for changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements and unused tax losses.

The Group undertakes transactions in the ordinary course of business where the income tax treatment and recognition of deferred tax assets requires the exercise of judgement. The Group estimates its tax liability based on its understanding of the tax law.

Notes to the financial statements (continued) for the financial period 22 September 2017 to 31 March 2018

Note 2. Summary of significant accounting policies (continued)

vi) Other financial assets

Loans and receivables

This category includes loan assets held at amortised cost and amounts due from related entities, which are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

vii) Impairment

Loans and receivables

Loans and receivables are subject to regular review and assessment for possible impairment. Provisions for impairment are recognised based on an incurred loss model and re-assessed at each balance date. A provision for impairment is recognised when there is objective evidence of impairment, and is calculated based on the present value of expected future cash flows, discounted using the original effective interest rate.

If, in a subsequent period, the amount of impairment losses decrease and the decrease can be related objectively to an event occurring after the impairment losses were recognised, the previously recognised impairment losses are reversed through the profit and loss account to the extent of the impairment earlier recognised. Bad debts are written off in the period in which they are identified.

viii) Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported on the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the financial asset and settle the financial liability simultaneously.

ix) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

x) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts.

Chaptre Greenco Limited

Notes to the financial statements (continued) for the financial period 22 September 2017 to 31 March 2018

Consolidated
For the period 22
September 2017 to
31 March 2018

£

Note 3. Loss on ordinary activities before taxation

Loss on ordinary activities before taxation is stated after charging:

Legal & professional fees	447,810
Project management fee	503,581
Bank charges	5,000
Auditors' remuneration	30,000

The Company had no employees during the financial period.

Note 4. Finance income

Interest receivable from subsidiary	(836,653)
Interest receivable from other external entities	(16,334)
Total interest receivable and similar income	(852,987)

Note 5. Finance costs

Interest payable on Mezzanine loan facility	4,233,790
Total interest payable and similar charges	4,233,790

Note 6. Tax on loss on ordinary activities

(i) Tax credit for the financial period

Current tax	
UK corporation tax at 19%	11,246
Total current tax	11,246
Tax on loss on ordinary activities	11,246

(ii) Reconciliation of effective tax rate

The income tax expense for the period is equal to the standard rate of corporation tax in the UK of 19%. The differences are explained below:

Loss on ordinary activities before taxation:	(4,367,194)
Loss on ordinary activities before taxation multiplied by the standard rate of corporation tax charge at 19%	(829,767)
Effect of –	
Expenses not deductible for tax purposes	85,084
Deferred tax asset on losses not recognised	681,348
Accounting adjustments for Group entities	74,681
Total tax on loss on ordinary activities	11,246

The UK Government have enacted a reduction in the main rate of corporation tax from 20% to 19% from 1 April 2017, and a further reduction to 17% from 1 April 2020.

Chaptre Greenco Limited

Notes to the financial statements (continued) for the financial period 22 September 2017 to 31 March 2018

	Company	Consolidated
	For the period 22 September 2017 to 31 March 2018	For the period 22 September 2017 to 31 March 2018
	£	£
Note 7. Investments and Intangibles		
Intercompany loan to subsidiary	89,561,080	-
Intercompany loan to associate	-	118,191,839
Total Investments	89,561,080	118,191,839
Restricted cash	5,003,412	5,003,412
Other Long term loans	92,154,368	-
Goodwill on investment in subsidiary	-	63,340,226
Total Intangibles	92,154,368	63,340,226
Total Investments and Intangibles	186,718,860	186,535,477

Investment in subsidiary - name	Nature of business	Registered office	% ownership	2018
Chaptre Investments Limited	Investment company	8 White Oak Square, London Road, Swanley, Kent, United Kingdom, BR8 7AG	100%	89,561,080
Chaptre Holdings Limited	Investment company	8 White Oak Square, London Road, Swanley, Kent, United Kingdom, BR8 7AG	50%	66,243,653

On 21 September 2017, the Company was newly incorporated. On 8 December 2017 the Company issued debt in the form of a mezzanine facility agreement to Hamaro Limited and on the same day acquired 100% of the shares in Chaptre Investments Limited (CIL). Chaptre Holdings Limited (CHL), the parent company to MGT Teesside Limited (MGT), is jointly controlled by Chaptre Investments Limited (CIL) and PKA TeesRep Holding (UK) Limited (PKA).

Note 8. Financial Instruments

	Company		Consolidated	
	Carrying value	Fair value	Carrying value	Fair value
	2018	2018	2018	2018
	£	£	£	£
Trade and other receivables	100	100	100	100
Cash and cash equivalents	17,059,049	17,059,049	17,059,049	17,059,049
	17,059,149	17,059,149	17,059,149	17,059,149

Description of Instruments

Trade and other receivables include receivables recognised during the normal course of business.

Valuation methods and assumptions

The Company's financial instruments are not measured at fair value. Due to their short term nature, trade and other receivables approximate their fair value.

	Company		Consolidated	
	Carrying value	Fair value	Carrying value	Fair value
	2018	2018	2018	2018
	£	£	£	£
Borrowings	207,664,688	207,664,688	207,664,688	207,664,688
Trade and other payables	147,074	147,074	308,278	308,278
	207,811,762	207,811,762	207,972,966	207,972,966

Description of Instruments

Trade and other receivables include payables recognised during the normal course of business.

On 8 November 2017 the company entered into a Mezzanine Facility Agreement of which £204,968,007 has been drawn down to date. The loan notes attract a fixed interest rate and have a final repayment date of November 2034. At the balance sheet date £207,664,688 was outstanding which includes principal and accrued interest amounts.

Valuation

Due to their short term nature, the carrying value of trade and other payables approximates to their fair value. For all borrowings carrying interest at a floating rate their carrying value approximates to their fair value. As the fixed rate loan has only recently been agreed, the carrying value approximates to its fair value.

Chaptre Greenco Limited

Notes to the financial statements (continued) for the financial period 22 September 2017 to 31 March 2018

Company	Consolidated
For the period 22 September 2017 to 31 March 2018	For the period 22 September 2017 to 31 March 2018
£	£

Note 9. Trade and other receivables

Amounts owed by subsidiary		
Amounts owed from other related parties (associates)	100	100
Total trade and other receivables	100	100

Note 10. Current trade and other payables

Amounts owed to entities that are part of the Macquarie Group	147,074	147,074
Other creditors	0	181,204
Total trade and other payables	147,074	308,278

Note 11. Creditors: amounts falling due after more than one period

Mezzanine loan facility	207,664,688	207,664,688
Total Creditors: amounts falling due after more than one period	207,664,688	207,664,688

The Company incurs interest on amounts owed under the Mezzanine debt facility at market rates and at 31 March 2018 the rate applied was 6.6%.

Note 12. Share Capital

Share Capital		
Issue of 100 ordinary shares on 22 September 2017 with a par value of £1 per share	100	100
Closing balance of Share Capital	100	100

Note 13. Accumulated losses

Loss attributable to ordinary equity holders of Chaptre Greenco Limited	(4,033,853)	(4,378,440)
Balance at the end of the period	(4,033,853)	(4,378,440)

Note 14. Related party information

100% of the shares in the Company are owned within the group headed by Macquarie Group Limited, incorporated in Australia.

Transactions between the Group and its associate principally arise from a fee earned by the Group as re-imbursement for its funding commitments provided. The Fees earned by the Group during the period ended 31 March 2018 are disclosed as revenue.

Chapre Greenco Limited

Notes to the financial statements (continued) for the financial period 22 September 2017 to 31 March 2018

Note 15. Directors' remuneration

During the financial period ended 31 March 2018, all the Directors were employed by and received all emoluments from other Macquarie Group undertakings. The Directors perform directors' duties for multiple entities in the Macquarie Group, as well as their employment duties within Macquarie Group businesses. Consequently, allocating their employment compensation accurately across all these duties would not be feasible. Accordingly, no separate remuneration has been disclosed.

Note 16. Contingent liabilities and commitments

The Group has provided a commitment to provide equity to Chapre Holdings Limited for up to £115,317,396. At 31 March 2018 the Group had provided the equity to Chapre Holdings in full (2017: £32,983,654 of the commitment has been drawn down, with a balance of £82,323,742 outstanding).

The Company has no other commitments or contingent liabilities which are individually material or a category of commitments or contingent liabilities which are material.

Note 17. Ultimate parent undertaking

As at 31 March 2018, the ultimate parent undertaking was Macquarie Group Limited.

The results of the Group are not consolidated elsewhere, so Chapre Greenco Limited has produced consolidated financial statements for itself and its subsidiary, Chapre Investments Limited.

The Group's 50% subsidiary undertaking, Chapre Holdings Limited, produce its own financial statements which are located at their registered office, 8 White Oak Square, London Road, Swanley, Kent, BR8 7AG, United Kingdom.

Note 18. Events after the reporting period

On 6 October 2018, the Groups subsidiary, Chapre Investments Limited, issued a further 48,323,255 shares to Chapre Greenco Limited.

At the date of this report, the Directors are not aware of any matter or circumstance which has arisen that has significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in the financial year subsequent to 31 March 2018 not otherwise disclosed in this report.