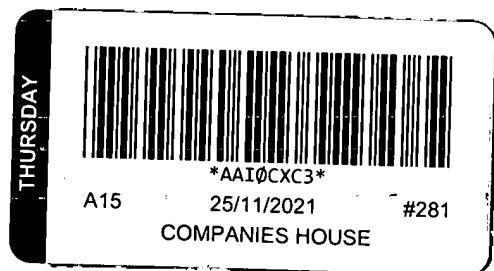


## **Seven Star Natural Gas Limited**

Annual report and financial statements

Registered number 05330862

Year ended 31 March 2021



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## Directors' report

The directors (the "Directors") present their report and audited financial statements for Seven Star Natural Gas Limited (the "Company") for the year ended 31 March 2021.

The Company is a member of the Infinis Group which is headed by Infinis Energy Group Holdings Limited, the head of the largest group for which consolidated financial statements are prepared. The consolidated financial statements of the Infinis Group are available on the website [www.infinis.com](http://www.infinis.com) or may be obtained from the Company Secretary, First Floor, 500 Pavilion Drive, Northampton Business Park, Northampton, NN4 7YJ.

The Company has adopted the exemptions available in Sections 414(B) and 416(3) of the Companies Act 2006 with regard to the Small Companies Regime. Accordingly, the Company has elected not to prepare a strategic report.

## Share capital

The Company is limited by shares.

## Principal activities

The principal activity of the Company was the exploration of natural gas reserves. The Company did not trade in the current year or prior year.

## Future developments

No change in activities is anticipated in the future.

## COVID-19

In the year ended 31 March 2021 COVID-19 has not significantly impacted the financial performance of the Company and is not expected to materially impact financial or operational performance for the year ending 31 March 2022. The measures taken by the Company in response to COVID-19 are set out in the annual report and accounts for the year ended 31 March 2021 of Infinis Energy Group Holdings Limited.

## Dividends

The Directors do not recommend the payment of a dividend (2020: nil).

## Directors

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

J H Milne  
S S Pickering  
K A Reid

## Section 172 of the Companies Act

Disclosures relating to s172 of the Companies Act require the Directors to identify the issues, factors and stakeholders they consider relevant to comply with their duty to have regard to stakeholders.

The Directors consider the effect of s172 in all of their decisions and the impact on any of the specified groups. The Directors consider the interests of all stakeholders, including the impact of the Company's activities on the community and environment, when making decisions. The Directors, acting fairly between members, and acting in good faith, consider what is most likely to promote the success of the Company for its shareholders in the long-term.

Further information in relation to the specific considerations of the Directors, including the Company's approach to sustainability, is set out in the Annual report and accounts 2021 of Infinis Energy Group Holdings Limited.

## **Directors' report (continued)**

### **Directors' indemnity and insurance**

At the time of approval of the Directors' report and during the financial year an associated company has agreed to indemnify past and present Directors, in accordance with and subject to the terms set out in the Corporate Governance Policy for the group headed by Infinis Energy Group Holdings Limited, against liability and all expenses reasonably incurred or paid by them in connection with any claim, action, suit or proceeding in which they become involved in the performance of their duties as a director and against amounts paid or incurred by them. These are qualifying third party indemnity provisions for the purposes of Section 234 of the Companies Act 2006 and are in place at the date of approval of the Directors' report.

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

### **Going Concern**

The financial statements have been prepared on the going concern basis. The Company made a profit of £58,000 during the year (2020: made a profit of £86,000), it has net current assets of £268,000 (2020: net current assets £81,000). The entity makes a profit through group relief of tax losses.

The Company is not trading. Its principal liability relates to restoration provisions totalling £1,514,000 (2020: £1,385,000). Infinis Energy Management Limited has provided a letter of support confirming that it will provide funding in the future for the required amount to settle these liabilities.

As with any company placing reliance on other entities for financial support, the Directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it or equivalent substitute support will not do so.

### **Financial Risk Management**

The Company finances its operations through cash generated from operations and cash resources. Where additional investment is required this is provided short term by intercompany trading accounts and longer term through intercompany loans.

### **Credit Risk**

Credit risk arises from cash and cash equivalents deposited with banks and financial institutions. The Company deposits its surplus funds only with banks and financial institutions with a high credit rating. The maximum credit risk exposure relating to financial assets is represented by the carrying value at the date of the statement of financial position.

### **Principal risks and uncertainties**

The Company adheres to the risk management policy of the Infinis Group which is headed by Infinis Energy Group Holdings Limited, details of which are set out in the consolidated financial statements of that company.

The Infinis Group's approach to risk management is continuous, collaborative and designed to eliminate or manage the risk of failure to achieve the Infinis Group's objectives. The Group Board exercises oversight of the risk management process at Board and Audit Committee meetings.

The Infinis Group has a well-established risk management process that is embedded in management processes, responsibilities and culture. It is proactive and designed to instil the principles of the risk management policy at functional level through a process of self-assessment and certification.

The Infinis Group's risk management process and the principal risks and uncertainties, including consideration of the impact of COVID-19, are materially unchanged from the assessment set out in the Annual report and accounts for the year ended 31 March 2021 of Infinis Energy Group Holdings Limited.

## **Directors' report (continued)**

### **Independent Auditors**

The auditors, PricewaterhouseCoopers LLP (PwC) have indicated their willingness to continue in office and, pursuant to section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed as auditors and will therefore continue in office.

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

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

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 period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgments and accounting estimates that are reasonable and prudent; 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 safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also 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.

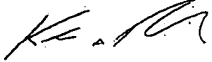
### **Directors' confirmations**

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 Company'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.

## Directors' report (continued)

On behalf of the board



**K A Reid**

**Director**

19 November 2021

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

## **Independent auditors' report to the members of Seven Star Natural Gas Limited**

### **Report on the audit of the financial statements**

#### **Opinion**

In our opinion, Seven Star Natural Gas Limited's financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the Balance sheet as at 31 March 2021; the Income statement, the Statement of changes in equity for the year 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 Company 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**

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

## **Independent auditors' report to the members of Seven Star Natural Gas Limited (continued)**

### **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 Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

### ***Directors' report***

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' report for the year ended 31 March 2021 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 Company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' report.

### **Responsibilities for the financial statements and the audit**

#### ***Responsibilities of the directors for the financial statements***

As explained more fully in the Directors' responsibility statement in respect of the annual report and the financial statements, 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 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 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.



## **Independent auditors' report to the members of Seven Star Natural Gas Limited (continued)**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Company and industry, we identified that the principal risks of non-compliance with laws and regulations related to tax legislation, and the Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to management's non-disclosure of incidents in the year. Audit procedures performed by the engagement team included:

- enquiry of management around actual and potential frauds, litigations or claims against or by the Company;
- understanding and evaluating the key elements of the Company's internal controls relating to estimates;
- testing of journals posted in the year that have unusual account combinations;
- reviewing significant accounting estimates for bias and validating the support behind the assumptions and judgments made by management, and evaluating the business rationale of significant or unusual transactions outside the normal course of business;
- incorporating elements of unpredictability into our audit procedures; and
- reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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](http://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.

## **Independent auditors' report to the members of Seven Star Natural Gas Limited (continued)**

### **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 obtained 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 financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

#### **Entitlement to exemptions**

Under the Companies Act 2006 we are required to report to you if, in our opinion, the Directors were not entitled to: take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Claire Browne (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
East Midlands  
19 November 2021

## Income statement

for the year ended 31 March 2021

	Note	2021 £'000	2020 £'000
Administrative expenses		(152)	(48)
<b>Operating loss</b>		<b>(152)</b>	<b>(48)</b>
Finance costs	6	(6)	(6)
<b>Loss before income tax</b>		<b>(158)</b>	<b>(54)</b>
Income tax credit	7	216	140
<b>Profit for the financial year</b>		<b>58</b>	<b>86</b>

The Company has no other comprehensive income or expense items and therefore total comprehensive income for the year is £58,000 (2020: income £86,000).

The notes on pages 13 to 21 are an integral part of these financial statements.

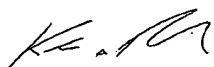
## Balance sheet

as at 31 March 2021

	Note	2021 £'000	2020 £'000
<b>Fixed assets</b>			
Property, plant and equipment	8	-	-
<b>Current assets</b>			
Trade and other receivables	9	358	153
Cash and cash equivalents		1	1
		<u>359</u>	<u>154</u>
<b>Creditors: amounts falling due within one year</b>	10	<u>(91)</u>	<u>(73)</u>
<b>Net current assets</b>		<u>268</u>	<u>81</u>
<b>Total assets less current liabilities</b>		<u>268</u>	<u>81</u>
<b>Provisions for liabilities</b>			
Provisions	11	<u>(1,514)</u>	<u>(1,385)</u>
<b>Net liabilities</b>		<u>(1,246)</u>	<u>(1,304)</u>
<b>Equity</b>			
Called up share capital	13	-	-
Other reserves		1,067	1,067
Profit and loss account		<u>(2,313)</u>	<u>(2,371)</u>
<b>Total shareholders' deficit</b>		<u>(1,246)</u>	<u>(1,304)</u>

The notes on pages 13 to 21 are an integral part of these financial statements.

The financial statements on pages 10 to 21 were authorised for issue by the Board of Directors on 19 November 2021 and were signed on its behalf by:



**K A Reid**  
**Director**  
Company registration no. 05330862

## Statement of changes in equity

for the year ended 31 March 2021

	Called up share capital £'000	Other reserves £'000	Profit and loss account £'000	Total equity £'000
Balance at 1 April 2019	-	1,067	(2,457)	(1,390)
<b>Total comprehensive income for the year</b>				
Profit for the financial year	-	-	86	86
Balance at 31 March 2020 and 1 April 2020	-	1,067	(2,371)	(1,304)
<b>Total comprehensive income for the year</b>				
Profit for the financial year	-	-	58	58
<b>Balance at 31 March 2021</b>	-	1,067	(2,313)	(1,246)

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

### **1 General information**

Seven Star Natural Gas Limited (the "Company") is a private limited company incorporated, domiciled and registered in England, in the UK. The registered number is 05330862 and the registered address is First Floor, 500 Pavilion Drive, Northampton Business Park Northampton, NN4 7YJ.

The Company's principal activity is set out in the Directors' report.

### **2 Significant accounting policies**

#### **2.1 Basis of preparation**

These financial statements were prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006.

The preparation of financial statements in conformity with FRS 101 require the use of certain accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- A Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital, tangible fixed assets and intangible assets;
- Disclosures in respect of capital management;
- Disclosures for IFRS 7 "Financial Instruments: Disclosures";
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel; and
- Disclosures in respect of related party transactions entered into between two or more members of a group.

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

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

#### **2.1.1 Going concern**

The financial statements have been prepared on the going concern basis, on the basis outlined in the Directors' Report.

#### **2.1.2 New Standards, amendments and IFRS IC interpretations**

There are a number of amendments to standards which will be effective in the following year's financial statements, however none of these are expected to have a material impact on the financial reporting of the Company.

## Notes (forming part of the financial statements)

### 2 Significant accounting policies (continued)

#### 2.2 Accounting policies

##### Finance costs

Finance costs are recognised in the income statement as they accrue, using the effective interest method.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the instrument to the gross carrying amount of the financial asset or the amortised cost of the financial liability.

##### Tax

Tax expense comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year and any adjustment to the tax payable or receivable in previous years. It is measured using tax rates enacted or substantively enacted at the year end.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the year end.

Deferred tax assets are recognised for unused tax losses and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

##### Property, plant and equipment (PP&E)

PP&E is stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and attributable borrowing costs during its construction. During the construction phase these assets are held separately with depreciation commencing once the asset is commissioned and ready for use.

The cost of replacing an item of PP&E is recognised if it is probable that the future economic benefits will flow to the Company. The carrying amount of the asset replaced is then de-recognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the income statement as incurred.

Exploration, development and operational assets comprise the costs incurred associated with finding gas reserves, including: acquisition of rights to explore; research costs; topographical, geological and related studies; exploratory drilling; and operational assets related to the development of sites. Operational assets include plant and equipment used in running the operating sites. The cost of decommissioning the sites is included within plant and equipment.

Certain items of plant are subject to overhauls and are depreciated over the period between each overhaul.

Depreciation is charged to the income statement on a straight-line basis, with no residual value, over the estimated useful life of the asset, as follows:

- Exploration, development and operational assets over the life of gas reserves

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

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

### **2 Significant accounting policies (continued)**

#### **2.2 Accounting policies (continued)**

##### **Provisions**

Provisions are determined by discounting the future expected cash flows at a pre-tax rate that reflects the time value of money. The unwinding of the discount is recognised as a finance cost.

Provisions for the decommissioning of assets and site restoration are recognised where a legal or contractual obligation exists. An equivalent amount of the provision is captured within property, plant and equipment. Given recent experience the Directors consider they have sufficient information to estimate the costs required and timing for decommissioning and restoration on a reasonable basis.

##### **Impairment**

*Financial assets (including trade receivables and other receivables)*

Financial assets are assessed for impairment using the expected credit loss model which requires expected credit losses and changes to expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. Financial assets measured at amortised cost or fair value to other comprehensive income ('FVOCI') will be subject to the impairment provisions of IFRS 9. The Company applies the simplified model to recognise lifetime expected credit losses for its trade receivables and other receivables by making an accounting policy election.

##### **Financial Instruments**

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

The Company's non-derivative financial instruments are set out below. They are recognised initially at fair value, subsequent to initial recognition they are measured as described below:

- Cash and cash equivalents comprise cash balances and call deposits. Cash and cash equivalents may include restricted cash balances, which principally relate to the debt service requirements of certain borrowings undertaken by the Group.
- Trade and other payables are carried at cost. Due to their short-term nature, their carrying value approximates their fair value.



## Notes (forming part of the financial statements)

### 3 Accounting estimates and judgments

#### Key judgments and sources of estimation uncertainty

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

#### Accounting estimates

##### Provision for decommissioning costs

The Company recognises provisions for decommissioning assets and restoring sites at the end of their expected useful life. These provisions are the discounted estimated costs of the work required at the expected date of decommissioning. Significant judgments and estimates are required about both the costs and the expected dates. The Company's estimates are based on limited actual experience of decommissioning to date.

#### Accounting judgments

There are no material judgments in the financial statements.

### 4 Auditors' remuneration

	2021 £'000	2020 £'000
Audit of these financial statements	6	5

Audit fees for the year ended 31 March 2021 and for the year ended 31 March 2020 were borne by another group company.

### 5 Directors' emoluments and employees

None of the Directors received any remuneration or benefits from the Company during the current year or prior year, nor are they employees of the Company. The Company had no employees during the current year or prior year. All services provided by employees of the Infinis Group were re-charged to the Company.

### 6 Finance costs

	2021 £'000	2020 £'000
Provisions: unwinding of discount	6	6

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

**7 Income tax**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
<i>Current tax:</i>		
UK corporation tax credit in the year	<b>75</b>	63
Adjustment in respect of prior years	<b>1</b>	77
	<hr/>	<hr/>
Total current tax credit	<b>76</b>	140
	<hr/>	<hr/>
Origination and reversal of temporary differences	<b>(40)</b>	-
Adjustment in respect of prior years	<b>180</b>	-
	<hr/>	<hr/>
Total deferred tax credit/(charge)	<b>140</b>	-
	<hr/>	<hr/>
<b>Tax credit on loss</b>	<b>216</b>	140
	<hr/>	<hr/>

The difference between the income tax for the year and the standard rate of corporation tax in the UK is explained below:

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Loss before income tax	<b>(158)</b>	(54)
	<hr/>	<hr/>
Loss before income tax multiplied by the standard rate of UK corporation tax of 19% (2020: 19%)	<b>30</b>	10
Effects of:		
Current period tax losses for which no deferred tax was recognised	<b>5</b>	53
Adjustment in respect of prior years	<b>181</b>	77
	<hr/>	<hr/>
Total tax credit	<b>216</b>	140
	<hr/>	<hr/>

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

**8 Property, plant and equipment**

	<b>Exploration, development and operational assets £'000</b>
<b>Cost</b>	
At 1 April 2020	4,049
<b>At 31 March 2021</b>	<b>4,049</b>
<b>Accumulated depreciation</b>	
At 1 April 2020	4,049
<b>At 31 March 2021</b>	<b>4,049</b>
<b>Net book value</b>	
<b>At 31 March 2021</b>	<b>-</b>
At 31 March 2020	-

**9 Trade and other receivables**

	<b>2021 £'000</b>	<b>2020 £'000</b>
Amounts owed by group undertakings	143	6
Deferred tax assets	140	-
Corporation tax recoverable	75	142
Prepayments	-	5
	<b>358</b>	<b>153</b>
Due within one year	<b>218</b>	<b>153</b>
Due after more than one year	<b>140</b>	<b>-</b>

Intercompany trading balances within the Infinis Group, which provide short term working capital funding, are repayable on demand. They bear no interest.

## Notes (forming part of the financial statements)

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

	2021	2020
	£'000	£'000
Amounts owed to group undertakings	91	73

Intercompany trading balances within the Infinis Group, which provide short term working capital funding, are repayable on demand. They bear no interest.

### 11 Provisions

	Decommissioning provision	Total
	£'000	£'000
At 1 April 2020	1,385	1,385
Unwinding of discount	6	6
Other movements	123	123
At 31 March 2021	1,514	1,514

Decommissioning provisions relate to the restoration of the Company's sites. As explained in the accounting policies note, provisions are calculated at a discounted value of expected future costs. The discount rate applied in the year ended 31 March 2021 was 1.27% (2020: 1.75%).

### 12 Deferred tax assets

#### Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets	
	2021	2020
	£'000	£'000
Property, plant and equipment	140	-

## Notes (forming part of the financial statements)

### 12 Deferred tax assets (continued)

#### Movement in deferred tax during the current year

	1 April 2020 £'000	Recognised in income £'000	31 March 2021 £'000
Property, plant and equipment	-	140	140
	-	140	140

On 3 March 2021 the UK Government announced in the Budget 2021 that tax rates would increase to 25% with effect from 1 April 2023. At 31 March 2021 the rate was not substantively enacted and therefore deferred tax balances are calculated at 19%.

The impact of an increase to the deferred tax rate to 25% at 31 March 2021 would be to increase the deferred tax asset to £184,000 resulting in a tax credit of £44,000.

#### Unrecognised deferred tax asset

Unrecognised deferred tax assets are attributable to the following:

	2021 £'000	2020 £'000
Property, plant and equipment	-	184
Losses	97	97
	97	281

### 13 Called up Share Capital

	2021 Number	2020 Number	2021 £'000	2020 £'000
<b>Allotted, called up and fully paid</b>				
Ordinary £1 each	100	100	-	-

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.

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

### **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. The Infinis Group VAT liability at 31 March 2021 was £2,100,000 (2020: £1,900,000).

### **15 Related parties**

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

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

There were no direct transactions between the Company and either 3iN or any of the 3iN Holding Companies during the year (2020: £nil). There were no balances outstanding between the Company and either 3iN or any of the 3iN Holding Companies at the end of the year (2020: £nil).

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

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

Alkane Energy Limited is the Company's immediate parent company.

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

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

### **17 Events after the end of the reporting period**

There were no subsequent events.