Infinis Energy Management Limited

Registered number: 10432339

Annual report and financial statements

For the year ended 31 March 2023

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Contents

Strategic report

The Directors present their annual report and audited financial statements for Infinis Energy Management Limited (the "Company") and its subsidiaries (together referred to as the "Group" or "Infinis") for the year ended 31 March 2023.

Principal activities

The principal activity of the Group is the generation of renewable and and low carbon electricity in the UK. Our strategy is focused on growing Infinis into a diversified and low carbon energy business. Through maintaining our strong operational and financial performance of our core business, we are able to accelerate the development and construction of new solar energy parks and battery energy storage sites ("BESS")

Captured methane electricity generation
Generates baseload power from an installed capacity of 0.3GW through the capture of methane from third party landfill sites (CLM) and disused mines (CMM). Methane naturally occurs from the decomposition of waste (CLM) and within mines (CMM) and requires to be captured to avoid its emission to atmosphere. As one of the most harmful greenhouse gasses, methane is 25 times more damaging to our environment than carbon dioxide.

Modular gas reciprocating engines then use the methane as a fuel source to generate electricity. Infinis operates across 93 CLM sites covering all of the UK, with CMM operations from 12 sites in the East of England.

Flexible Generation
During the year, Infinis commenced the development and construction of new BESS sites and combined these with its existing Power Response within the Flexible Generation division which provides highly responsive power over the local distribution network to support the UK energy transition and growing intermittency of renewable power generation from wind and solar. These assets also provide back-up generation capacity under contracts to National Grid.

Unlike baseload power which is 24/7 365, Flexible Generation is intermittent and trades on market signals during periods of peak demand and/or low generation. Existing operations are focused on Power Response assets with an installed capacity of 0.2GW operating over 29 sites. The first BESS project commenced construction in the year and is planned to be operational in late 2023.

Solar
Solar energy parks use interconnected photovoltaic (PV) panels to capture sunlight, creating DC electricity which is then converted to AC by on-site invertors. Solar power is a renewable and infinite resource. Solar is a new, and growing division. Our immediate ambitions are to develop and construct 0.4GW. There are 2 operational solar sites at the end of March 2023, with 2 additional sites (0.1GW) largely constructed which will become operational in Summer 23.

Review of business

During the year ended 31 March 2023, the Group generated 1,205GWh (2022: 1,267GWh) of electricity to the grid. The Group has a combined installed capacity at 31 March 2023 of 442MW (2022: 460MW). The key performance indicators of the Group are:

	2023	2022
	£'000	£'000
Revenue	159,711	155,005
EBITDA[1]	77,142	71,553
Operating profit	35,064	27,421
Net debt	183,474	181,506

[1] EBITDA is an Alternative Performance Measure (APM). A reconciliation between EBITDA and operating profit is set out in note 7(a) to the financial statements.

At 31 March 2023 the Group had net assets of £19,109,000 (2022: £10,553,000). At 31 March 2023 the Company had net liabilities of £70,922,000 (2022: £56,922,000). The performance of the Company is considered in the going concern assessment on pages 3 and 4.

Result

The Group profit for the year of £4,171,000 (2022: loss for the year of £9,318,000) was taken to reserves.

Future developments

A target of developing over 1GW of new solar and BESS projects was established earlier this year – broadly doubling our ambitions stated in the prior year and emphasising our ambitions for Infinis to play an important role in the energy transition, while also enhancing shareholder value.

Strategic report continued

Environmental report

The Company is required to report information under the Streamlined Energy and Carbon Reporting (SECR) guidance. This disclosure is available in the Annual report and accounts 2023 of Infinis Energy Group Holdings Limited, the Company's immediate parent company, and is available on the website www.infinis.com or from the Company Secretary, First Floor, 500 Pavilion Drive, Northampton Business Park, Northampton, NN4 7YJ.

Principal risks and uncertainties

The Group adheres to the risk management policy of Infinis Energy Group Holdings Limited (the Company's immediate parent company), details of which are set out in the Annual report and accounts 2023 of that company.

The Group's risk management process and the principal risks and uncertainties, are set out in the Annual report and accounts 2023 of Infinis Energy Group Holdings Limited, the Company's immediate parent company, and are available on the website www.infinis.com or from the Company Secretary, First Floor, 500 Pavilion Drive, Northampton Business Park, Northampton, NN4 7YJ.

On behalf of the board

K Reid
Director
26 July 2023

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

Directors' report

Directors

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

Shane Pickering
James Milne
Keith Reid
Tony Cocker
Tim Short
Matthew Edwards
Scott Longhurst
Richard Lewis

Proposed dividend

The Directors do not recommend the payment of a dividend (2022: nil).

Employment policies

Infinis believe that success and continuing strong performance is achieved through a culture built on the sheer passion, energy and engagement of our people. This can only be achieved if our existing and future employees consider Infinis to be a fair and inclusive employer. Our commitment to diversity and equality ensures we recruit, develop and promote our employees based on performance regardless of race, gender, religion or belief, marital status, age, culture, sexual orientation, disability or background. Full and fair consideration is given to applications for employment from people with disabilities having regard to their aptitudes and abilities. Every reasonable effort is made to support those who become disabled, either in the same job or, if this is not practicable, in suitable alternative work.

Political and charitable contributions

Neither the Company nor its subsidiaries made any political donations or incurred any political expenditure during the year. The Group made charitable donations of £114,000 (2022: £78,000) during the year.

Directors' indemnity and insurance

During the financial year the Company has agreed to indemnify past and present Directors in accordance with and subject to the terms of the Corporate Governance Policy for the Infinis Group, 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.

The Company has also arranged directors' and officers' liability insurance.

Going concern

The Group statement of financial position can be found on page 11 and reflects a positive equity position. The Company statement of financial position on page 41 shows a retained earnings deficit.

The Company does not trade and is a Holding company for the Infinis trading subsidiaries. Transactions within the Company income statement relate to investments in subsidiaries and finance costs. The Company relies on the cash generation of its subsidiaries to meet its Senior and Institutional Debt service costs which have interest paid every six months.

Intra-group loans to its parent company (Infinis Energy Group Holdings Limited) accrue interest and this interest is paid periodically throughout the year. Interest is only payable to the extent that the Company, and its subsidiaries, have sufficient cash to pay interest and to the extent this is not possible, interest PIKs. Equally, where the Group has higher levels of cash, above that forecast for development or debt service funding, then capital repayments may be made on these loans.

Shareholder loan notes were listed on The International Stock Exchange for the Channel Islands until 28 April 2023 when they were delisted.

The Company generated a loss in the year of £18.2m. This mainly reflects net finance costs of £27.2m on borrowings with a £2.3m tax credit offset.

Directors' report *(continued)*

Going concern *(continued)*

To assess solvency of the Company and Group, the cash generation of subsidiaries has been reviewed for the year ended 31 March 2023 and the forecast to September 2024. The Group generated a profit of £4.2m in the year to 31 March 2023. Included within this number are £42.1m of non-cash expenses relating to amortisation and depreciation. Adjusting for this the reported performance for the year was £77.1m. Net cash from operating activities was £76.1m with a high level of closing cash and notable closing and projected covenant headroom.

When considering the going concern assertion, the Directors review several factors including the ability of the Group to meet its banking covenants and operate within its banking facilities based on current financial plans. A series of more pessimistic trading scenarios, that were deemed severe but plausible, were also reviewed.

The Group has appropriate financing facilities in place that expire in January 2026 and January 2032 that gives the Group continued certainty over future funding arrangements and provides a platform for continued growth.

The Directors consider that the Group and Parent Company have adequate resources to continue in operation for the foreseeable future, and that it is therefore appropriate to adopt the going concern basis in preparing the consolidated and individual financial statements of the Company.

Future developments
Please refer to the Strategic report on page 1.

Financial risk management
Details of financial instruments and the Group's approach to capital management and financial risk are provided in note 20 on pages 35 to 38 of the accounts.

Section 172 of the Companies Act (s172)
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 Board considers the effect of s172 in all its decisions and the impact on any of the specified groups. The Board considers the interests of the Group's employees and other stakeholders, including the impact of its activities on the community, environment, and the Group's reputation, when making decisions. The Board, acting fairly between members, and acting in good faith, considers what is most likely to promote the success of the Group for its shareholders in the long-term.

Further information in relation to the specific considerations of the Board are set out in the Annual report and accounts 2022 of Infinis Energy Group Holdings Limited, the Company's immediate parent company, and are available on the website www.infinis.com or from the Company Secretary, First Floor, 500 Pavilion Drive, Northampton Business Park, Northampton, NN4 7YJ.

Statement of disclosure of information to auditors

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 auditors are 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 auditors are aware of that information.

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, PwC are deemed to be reappointed as auditors and will therefore continue in office.

Directors' report *(continued)*

Directors' responsibility statement in respect of the Annual report and financial statements

The Directors are responsible for preparing the Annual report and 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 Group financial statements in accordance with UK-adopted international accounting standards and the Company 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, 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 Company and of the profit or loss of the Group 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 UK-adopted international accounting standards have been followed for the Group financial statements and United Kingdom Accounting Standards, comprising FRS 101 have been followed for the Company financial statements, subject to any material departures disclosed and explained in the financial statements;
- make judgements 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 Group and Company will continue in business.

The Directors are also responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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 Group and 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 Group and Company's auditors are aware of that information.

On behalf of the board

K Reid
Director
26 July 2023

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

Independent auditors' report to the members of Infinis Energy Management Limited

Report on the audit of the financial statements

Opinion

In our opinion:

- Infinis Energy Management 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 2023 and of the Group's profit and the Group's cash flows for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006;
- the Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: Consolidated statement of financial position and Company statement of financial position as at 31 March 2023; the Consolidated income statement, Consolidated statement of comprehensive income and Company statement of comprehensive income, Consolidated cash flow statement and Consolidated statement of changes in equity and Company 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 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

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 Group's and 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 Group's and 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.

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

Independent auditors' report to the members of Infinis Energy Management Limited continued

Reporting on other information continued

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 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.

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 year ended 31 March 2023 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 Directors' responsibility statement in respect of the Annual report and 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 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.

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 Group and industry, we identified that the principal risks of non-compliance with laws and regulations related to health and safety, employment legislation, Data Protection Act 2018 and OFGEM regulations, 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 and, tax legislation.

Independent auditors' report to the members of Infinis Energy Management Limited continued

Responsibilities for the financial statements and the audit continued

Auditors' responsibilities for the audit of the financial statements *continued*

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 and management bias in accounting estimates. 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 and journal entries;
- testing of journals posted in the year that have unusual account combinations;
- assessing 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;
- assessed financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations; and
- assessment of legal expenses and legal cases to assess any non-compliance with laws and regulations and risk of understatement of related liabilities.

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. 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 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 Company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Andrew Lyon (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
East Midlands
26 July 2023

Consolidated income statement
for the year ended 31 March 2023

	Note	2023 £'000	2022 £'000
Revenue	6	159,711	155,005
Cost of sales		(92,353)	(98,573)
Gross profit		67,358	56,432
Administrative expenses	7(a)	(32,294)	(29,011)
EBITDA	7(a)	77,142	71,553
Depreciation of property, plant and equipment	7(a)	(26,243)	(28,679)
Amortisation of intangible fixed assets	7(a)	(15,835)	(15,453)
Operating profit	7(b)	35,064	27,421
Finance costs	9	(28,180)	(26,178)
Finance income	9	159	3
Net finance costs	9	(28,021)	(26,175)
Profit before income tax		7,043	1,246
Income tax charge	10	(2,872)	(10,564)
Profit/(loss) for the year		4,171	(9,318)

[1] There were no significant one-off items in the year ended 31 March 2023 or 31 March 2022

The notes on pages 13 to 40 form part of these financial statements

Consolidated statement of comprehensive income
for the year ended 31 March 2023

	2023 £'000	2022 £'000
Profit/(Loss) for the year	4,171	(9,318)
Other comprehensive income/(expense)		
Items that may be reclassified subsequently to the profit or loss:		
Impact of discontinued hedges	432	432
Amounts recycled to profit and loss	(932)	1,194
Fair value movement on cash flow hedges	6,100	5,584
Tax on movement in cash flow hedges	(1,255)	(1,802)
Remeasurement of defined benefit liability	40	-
Total other comprehensive income	4,385	5,408
Total comprehensive income/ (expense) for the financial year	8,556	(3,910)

Consolidated statement of changes in equity
for the year ended 31 March 2023

	Share capital £'000	Hedging reserve £'000	Accumulated losses £'000	Total £'000
At 1 April 2021	35,000	(2,056)	(18,481)	14,463
Loss for the year	-	-	(9,318)	(9,318)
Impact of discontinued hedges	-	432	-	432
Amounts recycled to profit and loss	-	1,194	-	1,194
Fair value movement on cash flow hedges	-	5,584	-	5,584
Tax on movement in cash flow hedges	-	(1,802)	-	(1,802)
	-			
Total comprehensive expense	-	5,408	(9,318)	(3,910)
At 31 March 2022	35,000	3,352	(27,799)	10,553
Profit for the year	-	-	4,171	4,171
Impact of discontinued hedges	-	432	-	432
Remeasurement of defined benefit liability		-	40	40
Amounts recycled to profit and loss	-	(1,081)	149	(932)
Fair value movement on cash flow hedges	-	6,100	-	6,100
Tax on movement in cash flow hedges	-	(1,255)	-	(1,255)
Total comprehensive expense	-	4,196	4,360	8,556
At 31 March 2023	35,000	7,548	(23,439)	19,109

The notes on pages 13 to 40 form part of these financial statements

Consolidated statement of financial position
at 31 March 2023

	Note	2023 £'000	2022 £'000
Non-current assets			
Property, plant and equipment	*11*	161,152	102,593
Goodwill	*12*	68,230	68,230
Other intangible assets	*12*	256,725	270,322
Derivatives	*20*	10,301	5,282
		496,408	446,427
Current assets			
Inventories	*13*	6,677	4,237
Trade and other receivables	*14*	38,018	33,718
Cash and cash equivalents		22,526	62,642
		67,221	100,597
Total assets		563,629	547,024
Current liabilities			
Interest-bearing loans and borrowings	*15*	357	422
Trade and other payables	*18*	34,254	32,544
		34,611	32,966
Non-current liabilities			
Interest-bearing loans and borrowings	*15*	438,595	444,731
Deferred tax	*16*	50,637	46,536
Provisions	*17*	18,130	8,711
Other payables	*18*	2,547	3,527
		509,909	503,505
Total liabilities		544,520	536,471
Net assets		19,109	10,553
Equity			
Share capital	*19*	35,000	35,000
Hedging reserve		7,548	3,352
Accumulated losses		(23,439)	(27,799)
Total equity		19,109	10,553

The financial statements on pages 9 to 12 were approved by the Board of Directors on 26 July 2023 and were signed on its behalf by:

K Reid
Director

Company number: 10432339

The notes on pages 13 to 40 form part of these financial statements

Consolidated cash flow statement
for the year ended 31 March 2023

	2023 £'000	2022 £'000
Cash flow from operating activities		
Profit/(loss) for the year	4,171	(9,318)
Adjustments for:		
Depreciation of property, plant and equipment	26,243	28,679
Amortisation of intangible fixed assets	15,835	15,453
Finance costs	28,180	26,178
Finance income	(159)	(3)
Taxation	2,872	10,564
Operating cash flow before changes in working capital and provisions	77,142	71,553
Decrease/(increase) in trade and other receivables	670	(4,577)
(Increase)/decrease in inventories	(2,411)	132
Increase in trade and other payables	2,158	936
Decrease in provisions	(979)	(917)
Cash generated from operations	76,550	67,127
Interest paid on leases	(445)	(101)
Tax paid	-	(1,475)
Net cash generated from operating activities	76,105	65,551
Cash flow used in investing activities		
Interest received	159	3
Acquisition of intangibles	(2,238)	(11,268)
Acquisition of property, plant and equipment	(70,940)	(16,008)
Loan for development projects	(1,726)	-
Net cash used in investing activities	(74,745)	(27,273)
Cash flow from/(used in) financing activities		
(Repayment)/proceeds from borrowings	(38,000)	38,000
Proceeds from SH loan	30,000	-
Repayment of shareholder loans	(8,476)	-
Interest paid on borrowings	(10,093)	(8,054)
Interest paid on shareholder loans	(14,024)	(15,000)
Principal elements of lease payments	(883)	(821)
Net cash generated from/(used in) financing activities	(41,476)	14,125
Net increase/(decrease) in cash and cash equivalents	(40,116)	52,403
Cash and cash equivalents at the beginning of the year	62,642	10,239
Cash and cash equivalents at the end of the year	22,526	62,642

The notes on pages 13 to 40 form part of these financial statements

Notes forming part of the financial statements

1. General information

Infinis Energy Management Limited is a private company limited by shares, incorporated and domiciled in the UK and registered in England and Wales. The Company's registered office is at First Floor, 500 Pavilion Drive, Northampton Business Park, Northampton, NN4 7YJ.

The Group financial statements consolidate the results of the Company and its subsidiaries (together referred to as the "Group") for the year ended 31 March 2023. The Company financial statements present information about the Company as a separate entity and not about its Group.

1.1 Basis of preparation and consolidation

The Group financial statements have been prepared and approved by the Directors in accordance with UK-based International Accounting Standards in conformity with the requirements of the Companies Act 2006. The Company has elected to prepare its parent Company financial statements in accordance with FRS 101. These are presented on pages 39 to 46. Having made enquiries, the Directors consider that the Company and its subsidiaries have adequate resources to continue in operation for the foreseeable future and it is therefore appropriate to adopt the going concern basis in preparing these financial statements (further details are set out in the Directors report on pages 3 to 5).

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial results of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Intra-group balances and transactions, and any unrealised income and expense arising from intra-group transactions, are eliminated. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

The principal accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, except where mentioned otherwise. The financial statements are prepared on the historical cost basis except for certain financial instruments which are stated at their fair value. All values are rounded to the nearest thousand (£'000) except where otherwise indicated.

1.2 Alternative Performance Measures (APM)

The Group presents APMs on the face of the Income Statement that are not defined terms under IFRS. The Directors believe that these APMs provide useful additional information on business performance. These measures are used for both internal and external performance reporting purposes.

EBITDA: earnings before interest, tax, depreciation, amortisation, impairment of non-current assets and exceptional items. EBITDA is included as a key performance measure used by the Group's key stakeholders, including lenders, to evaluate business performance and allow a clear evaluation of performance year-on-year.

To further aid the transparency of the financial performance, where applicable, the Group splits its EBITDA and Operating profit between business performance and significant one-off items, which aggregate to the overall reported results for the year.

Significant one-off items are material items which because of their size and nature, merit separate presentation in the income statement to allow a better understanding of the Group's financial performance. These items are typically one-off in nature and are disclosed within EBITDA if they relate to the core business activity or disclosed within exceptional if they relate to significant non-core, non-recurring items. Impairment of non-current assets is included in significant one-off items.

Notes forming part of the financial statements

2 New standards and interpretations

Standards, amendments and interpretations in issue but not yet effective
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 Group.

3 Critical accounting estimates and judgments

In the process of applying the Group's accounting policies, management 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

Acquisition accounting

When the Group completes a business combination the date of acquisition is the date at which control of the acquired business passes to the Group. This can involve a degree of judgment. The fair values of the identifiable assets and liabilities acquired, including intangible assets, are recognised at their fair value. The determination of the fair value of acquired assets and liabilities is based, to a considerable extent, on management's judgment. In estimating fair value, particularly in relation to identifiable intangible assets, management is required to estimate the useful economic life of each asset and the future cash flows expected to arise from each asset and apply a suitable discount rate.

Gas rights acquired are initially valued based on the net present value of expected cash flows from electricity generation. A number of assumptions are made in arriving at such a valuation which include price, method and uniformity of gas production, gas availability and methane content. The judgments applied, and the assumptions underpinning them, are considered to be appropriate at the time of valuation.

Where sites are acquired with existing planning permission the rights to develop solar/battery on these sites are considered to constitute an intangible asset.

The carrying value of the intangible assets is disclosed in note 12.

Joint Development Agreements
Where the Group acquires an option to secure a development project, the option is considered to be a financial asset.

The accounting treatment is covered in "financial instruments" section of this note.

Impairment

In assessing impairment, judgment is required to establish whether there have been any indicators of impairment, either internal or external, for all amortising and depreciating non-current assets. Goodwill is tested annually for impairment.

Where there is the need to determine the recoverable value of an asset, this requires judgments and assumptions on the expected future cashflows of the Group's divisions. Further details regarding impairment testing and the applied assumptions can be found in note 12.

ROC Recycle revenue

ROC Recycle is separately identified as a component of revenue. It is intrinsically linked to the generation of power and is therefore recognised as it accrues. The pricing is variable, therefore ROC Recycle revenue is recognised to the extent that it is highly probable there will be no significant subsequent reversal in the cumulative amount of revenue recognised. The Group considers that ROC Recycle revenue can be estimated reliably using a standard methodology including key market information.

ROC mutualisation, which is a component of ROC Recycle and covers suppliers who have ceased trading in the current year is paid over a 12 month period commencing from the November, 18 months following the year end to the extent it is collectable by Ofgem and consequently is recognised on receipt.

Provision for decommissioning costs

The Group 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 Group's estimates are based on limited experience of actual decommissioning to date.

Notes forming part of the financial statements

3. Critical accounting estimates and judgments continued

Long-term incentives

The Group operates a cash-settled long-term incentive plan for selected senior management and directors. The calculation is based on Total Shareholder Return (TSR) over a three-year period. Each year an accrual is made equating to a third of the expected pay-out. In calculating this accrual, a forecast equity valuation at the end of the scheme is calculated using a discounted cashflow forecast methodology consistent with that used in the impairment review.

Infinis operates other long term incentive schemes for the broader employee base. These schemes are cash settled at the end of a three year period with the payout calculated as a fixed percentage of salary. A third of the expected payment is accrued each year.

Critical judgments

There are no additional material judgments in the financial statements.

4. Significant accounting policies

Business combinations

The Group accounts for business combinations, using the acquisition method, when control is obtained by the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill arising is tested immediately for impairment. Any gain on a bargain purchase is recognised in the income statement immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

Revenue from contracts with offtakers

The Group's three main revenue streams are as follows:

i. Traded power

Revenue relating to the sale of electricity produced by baseload power, power response and solar is recognised at the point in time that electricity is exported, i.e. when the offtakers obtains control. Revenue is recognised at this point provided that the revenue and costs can be measured reliably, the recovery of the consideration is probable and there is no continuing management involvement with the supply.

ii. Power Response variable revenue

Power responses revenue now represents the net position of the revenue earned in the market less natural gas cost margin, inclusive of applicable carbon and environmental taxes. In the prior year, natural gas cost inclusive of applicable carbon and environmental taxes was presented within cost of sale in accordance with the structure of the previous Optimiser contract.

iii. Renewable Obligation Certificates (ROCs)

ROCs are a product related to government initiatives to encourage investment in renewable energy sources. ROCs are certificates issued where electricity has been sourced from renewable energy sources. Revenue arises from two elements:

- the 'Buy Out' price – the sale of the certificate itself (almost always to the customer purchasing the electricity); and
- the 'Recycle' price – a share of a central fund comprising aggregate penalty payments Ofgem receives from electricity suppliers who did not meet their obligations to obtain supply from renewable sources.

Revenue from ROC Buy Out certificates is recognised as exported. The customer does not receive the certificate until confirmation is received from Ofgem but control relating to the certificates passes from the Group at export and the customer is contractually obliged to accept it.

Where ROC Recycle revenue is recognised, it is in line with exported power. ROC Recycle revenue is estimated as outlined in note 3 and is accrued each year end and then invoiced when the final ROC Recycle figure is announced in October following the year end. Revenue is accrued based on the ROC Recycle amount for the current year less the amount to be paid by mutualisation which is accounted for on a cash basis when received due to its less certain nature.

Notes forming part of the financial statements

4. Significant accounting policies continued

Revenue from contracts with offtakers continued

iv. Other revenue

Other revenue includes Capacity Market revenue, embedded benefits such as Triad, Generator Distribution Use of System (GDUoS) and Short Term Operating Reserve and other income including the disposal of generating infrastructure.

- Capacity Market revenue is received for providing available capacity to the National Grid that can be called upon when it is needed. Fixed monthly payments are received for assets entered into the Capacity Market on a per MW basis. Revenue is recognised at a point in time as the revenue accrues according to the contract.
- Short Term Operating Reserve (STOR) is a contracted Balancing Service, whereby the Company is contracted to delivers a set level of power when instructed by National Grid, within pre-agreed parameters. Revenue is recognised at a point in time as the revenue accrues according to the contract.
- Triad periods are the three 30-minute time periods with the highest energy demand across the grid between the start of November and the end of February each year. National Grid incentivises high power production during these periods. Prices for the year are announced by National Grid in March and attract an income premium. Triad income is recognised once the Triad periods and the associated prices are announced.
- GDUoS income is received for generating in the local network and revenue is recognised in line with exported power.
- The sale of site infrastructure may occur when Infinis exits a site, revenue is recognised at the point in time that the asset is transferred.

Royalty payments

Royalty payments to land owners are recognised in the income statement as they accrue, based on the level of electricity generation at each site and according to specific site agreements.

Finance income and costs

Finance income arises on cash deposits and funds invested and is recognised in the income statement as it accrues, using the effective interest method.

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.

Finance costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are ready for use. Where instruments have been taken out to hedge against interest rate risk, capitalised borrowing costs will reflect the interest rate after taking into account the effect of the hedging instrument.

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 income statement in the year in which they are incurred.

Exceptional items

Exceptional items are income or expenditure including but are not limited to significant reorganisation costs; income/ expenditure related to significant restructuring of the organisational design, changes in investment in subsidiaries (including acquisition and disposal of all or part of a shareholding) and capital structure of the Group (including refinancing related costs). Directly related costs to these activities including professional fees, transaction costs and employee related costs are included within exceptional items. Exceptional items are excluded from the calculation of EBITDA.

Inventories

Inventory is measured at the lower of cost and net realisable value. Cost is based on average costs and includes expenditure in acquiring the stocks and bringing them to their existing location and condition.

Employee benefits

Pension arrangements

The Group provides pension arrangements for employees and certain Directors who are members of the Aviva Stakeholder or Aviva Group Personal defined contribution schemes. Contributions to these schemes are charged to the income statement as they accrue.

Notes forming part of the financial statements

4. Significant accounting policies continued

Long term incentives

The Group recognises a provision in respect of long-term incentives as the amount of the future benefit that employees have earned in return for their service in the current and prior years. Obligations are measured at their present value and included in emolument disclosures when paid.

Income Tax

Income tax 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 reporting date.

The UK Government released draft legislation for the Electricity Generator Levy in January 2023. This Tax is payable to the extent that qualifying revenue exceeds the threshold after deducting specific allowances. Any tax payable is recognised in accordance with current tax but disclosed separately to the extent payable.

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; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future.

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. 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.

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.

Depreciation is charged to the income statement on a straight-line basis, assuming assets have no residual value, over the estimated useful life of the asset.

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

PP&E include plant, equipment and gas assets used in running the operating sites. Solar and BESS sites are capitalised as PP&E once construction begins. The cost of decommissioning the sites is included within plant and equipment. Engines are subject to overhauls and are depreciated over the period between each overhaul.

The estimated useful lives are as follows:

Plant and equipment	Over the shorter of the minimum lease term of each specific operating site and the expected life of the asset, being 2- 20 years
Decommissioning	Over the expected life of the operating site
Engine overhauls	2-4 years
Solar	25 years

Notes forming part of the financial statements

4. Significant accounting policies continued

Intangible assets and goodwill

Goodwill on acquisition is initially measured as the excess of the cost of the business combination over the fair value of the net assets acquired.

Goodwill is stated at cost less any accumulated impairment. Goodwill is allocated to the relevant cash generating unit (CGU) of the business and is not amortised but is tested annually for impairment.

Other intangible assets are stated at cost less accumulated amortisation and impairment. Other intangible assets include CLM generation rights, STOR contracts, technology, brand, BESS and Solar development.

Solar and Battery Energy Storage development costs include internal costs of the Development team, along with third party incurred to progress the Group's organic development of projects from initial feasibility to securing planning, land and grid and being ready for construction. Costs are capitalised as an intangible asset if, on a project-by-project basis, the Directors consider that each project is highly probable of securing planning consent, has land options signed and has Grid offers accepted (where required).

The premium for acquired consented development projects is classified as an intangible asset.

Details of the accounting estimates and judgments made in the valuation of these assets are disclosed in note 3.

There are no internally generated intangible assets.

Amortisation of intangible assets

Generation rights

Amortisation of CLM generation rights allocates the cost of the asset over its estimated useful life using a profile that reflects the decline in available methane reserves.

Technology & brand

Technology and brand are amortised on a straight-line basis over five and ten years, respectively.

Development projects

Acquired or internally developed intangible assets for each development project are written off over a 30 year period or the minimum period of the site lease, whichever is shorter.

Impairment

The carrying amounts of the Group's non-current non-financial assets, other than goodwill and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment, based on judgment techniques explained in note 3. Where an indication of impairment exists on such assets, testing for impairment is undertaken. Any impairment loss is expensed immediately to the income statement. Further details regarding impairment testing can be found in note 12.

Throughout the period of solar and battery project development, there are quarterly reviews the evaluate the carrying value of development costs and the probability of the project securing planning consent. Should any project be considered no longer viable to develop, the costs incurred to date will be expensed within administration costs within the income statement.

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.

Where the Group has concluded that a contract will be loss making, the estimated impact of the loss is included in full when it is considered probable the loss will arise.

Notes forming part of the financial statements

4. Significant accounting policies continued

Leases

The Group leases its head office, engine overhaul facility, vehicles and some office equipment. All operational vehicles are typically leased for 3 to 4 years. Office contracts are typically 5 to 10 years in duration.

With the development of solar and battery, the Group will enter into a land lease covering the expected operational period of the project, which typically will cover the period of the planning consent which is typically 40 years. During the development phase, lease options or heads of terms granting land rights will be secured for a one-off payment which is included as a Development cost. Immediately prior to construction commencing on a project, a lease will be entered into. Leases will vary in nature between a fixed term with a break, or a shorter term with an extension period exercisable solely at the option of the Company.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- payments expected to be made under reasonably certain extension options;
- amounts expected to be payable by the group under residual value guarantees;
- the exercise price of a purchase option if the group is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the group exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

The Group enters into lease-like arrangements with land owners for the long-term right to capture methane and use it as a fuel source for generation of electricity. The legal form of these arrangements is a lease or a licence with an annual rental or royalty payment based on electricity output. The use of the methane as a fuel source in electricity production does not constitute a lease for the purpose of IFRS 16 as the methane itself is not a leased asset.

Notes forming part of the financial statements

4. Significant accounting policies continued

Financial instruments

The classification and subsequent measurement of the Group's financial assets depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. The group classifies financial assets as either of the following:

- Financial assets held at amortised cost: Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are subsequently measured at amortised cost.
- Financial assets held at fair value through profit and loss: Assets that are held with the purpose of selling the financial asset, or where the assets' cash flows do not represent solely payments of principal and interest, are subsequently measured at fair value and movements are recognised within the profit and loss account.

The group classifies and subsequently measures all financial liabilities at amortised cost, unless they are required to be measured at fair value through profit or loss.

Derivative financial instruments – cash flow hedges

The Group utilises derivative financial instruments in the normal course of business to hedge its exposure to fluctuations in interest rates. The Group adopts a policy of ensuring that it has limited exposure to changes in interest rates on borrowings. The Group enters into and designates interest rate swaps as hedges of the variability in cash flows attributable to interest rate risk.

Derivatives are recognised initially at fair value; attributable transaction costs are recognised in the income statement when incurred. Subsequent to initial recognition, derivatives used as cash flow hedges are measured at fair value and changes in the fair value are recognised directly in equity to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognised in the income statement.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognised in equity remains there until the forecast transaction occurs. When the hedged item is a non-financial asset, the amount recognised in equity is transferred to the carrying amount of the asset when it is recognised. In other cases, the amount recognised in equity is transferred to the income statement in the same year that the hedged item impacts the income statement.

Investments and other financial assets

Impairment

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 through other comprehensive income ('FVOCI') will be subject to the impairment provisions of IFRS 9. The Group applies the simplified model to recognise lifetime expected credit losses for its trade receivables and other receivables by making an accounting policy election.

Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other receivables, accrued income, cash and cash equivalents, loans and borrowings and trade and other payables. Non-derivative financial instruments are recognised initially at fair value. Subsequent to initial recognition, they are measured as described below:

(i) Trade and other receivables are carried at original invoice amount less any allowance for uncollectable amounts. An estimate for doubtful debts is made under the expected credit loss model which assesses the expected loss rates based on historical credit losses experienced. Bad debts are written-off in the income statement when identified.

(ii) 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.

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

(iv) 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

4. Significant accounting policies continued

Non-derivative financial instruments *continued*

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the year end, taking into account the risks and uncertainties surrounding the obligation. If the effect of the time value of money is material, discounting is applied.

5. Segmental information

In the year ended 31 March 2023 the Group reports four divisions: Captured Landfill Methane (CLM), Captured Mineral Methane (CMM), Flexible Generation (FG) (previously known as Power Response) and Solar (SOL). Information regarding the results of each operating segment is included below and is reported information provided to the Senior Management Team and the Board for the reportable segments for the year ended 31 March 2023:

£'000	CLM	CMM	FG	SOL	2023 Total	CLM	CMM	FG	SOL	2022 Total
Revenue	129,991	3,497	25,799	424	159,711	117,367	4,856	32,540	242	155,005
Operating expenses[1]	(51,942)	(6,715)	(7,992)	(47)	(66,696)	(46,634)	(2,650)	(21,342)	(53)	(70,679)
Gross profit	**78,049**	**(3,218)**	**17,807**	**377**	**93,015**	**70,733**	**2,206**	**11,198**	**189**	**84,326**
Administrative expenses[1]	(8,721)	(1,125)	(2,719)	(188)	(12,753)	(6,711)	(1,074)	(1,947)	(67)	(9,799)
Segment EBITDA	**69,328**	**(4,343)**	**15,088**	**189**	**80,262**	**64,022**	**1,132**	**9,251**	**122**	**74,527**
Maintenance capital expenditure	(11,681)	(342)	(1,328)	-	(13,351)	(7,818)	(518)	(1,646)	-	(9,982)
Segment EBITDA after maintenance capital expenditure	**57,647**	**(4,685)**	**13,760**	**189**	**66,911**	**56,204**	**614**	**7,605**	**122**	**64,545**
Development capital expenditure	**(1,156)**	**-**	**(12,374)**	**(44,408)**	**(57,938)**	**457**	**-**	**1,943**	**6,878**	**9,278**

Reconciliation to income statement

	2023	2022
Segment EBITDA	**80,262**	**74,527**
Amounts not allocated to segments		
Management expenses	**(1,808)**	(1,332)
Development expenditure	**(1,312)**	(1,642)
Depreciation and amortisation	**(42,078)**	(44,132)
Operating profit	35,064	**27,421**

[1] Depreciation, amortisation, impairment, LTIP, development expenditure, other gains and operating exceptional items are not allocated to segments as this type of activity is driven centrally, and not reported segmentally. Administrative expenses, which exclude management expenses and development expenses, are allocated according to the number of sites in each division.

Flexible Generation Division comprises the PR Assets with new BESS sites as they are developed and constructed. The division was named Power Response in the prior year.

Notes forming part of the financial statements

6. Revenue

A description of the principal revenue streams is set out in the accounting policies. All revenue is generated in the UK. The Group recognises all revenue from the transfer of goods and services at a point in time in the following revenue types:

Revenue from contracts with customers by type

	2023 £'000	2022 £'000
Traded power	94,317	82,877
Renewable Obligation Certificates	53,839	62,377
Other revenue	11,555	9,751
	159,711	155,005

Total ROC revenue was £53.8m (2022: £62.4m) split ROC buy-out £46.7m (FY22: £49.6m) and Recycled ROC £7.1m (2022: £12.8m). The basis for Recycled ROC income is outlined in note 3 and relies on a series of estimates and judgments which are not confirmed by Ofgem until the following October. FY23 ROC Recycle revenue comprises £5.7m of current year (CP21) ROC Recycle (FY22: £7.3m) and ROC Recycle related to the prior year of £1.4m (FY22: £5.5m). In the year ended 31 March 2021, the Directors did not consider it possible at the date of signing the financial statements to accurately calculate, nor be sufficiently certain, of ROC Recycle revenue related to that year, therefore ROC Recycle revenue related to FY21 was recognised in the year ended 31 March 2022.

The trading strategy of the Group defines that no more than 34% of a season may be forward sold to any customer without additional Board consent. Consequently, the Group has a number of customers that may contribute more than 10% of revenue in the financial year. In the year ended 31 March 2023 four (2022: four) customers that contributed more than 10% of revenue, ranging from 12% to 34% (2022: 11% to 28%).

7. Expenses

Included in operating profit are the following:

	2023 £'000	2022 £'000
Business performance		
Depreciation of property, plant and equipment	25,614	27,818
Depreciation of right of use assets	629	861
Amortisation of intangible fixed assets	15,835	15,453
Inventories recognised as an expense	7,366	5,896
Payments to landlords for royalties	24,121	21,708

Significant one-off items
In the year ended 31 March 2023 and 31 March 2022, there were no significant one-off items.

A provision of £4.8m (2022: £1.5m) was recognised for the cost of buying back power to honour contractual commitments with CMM Power Purchase Agreements for future seasons. This cost, whilst uncommon is considered operating cost of business performance with the quantum amplified as a consequence of high power pricing at the point of the trade.

Notes forming part of the financial statements

7. Expenses continued

(a) Operating profit reconciliation

A reconciliation from EBITDA (an APM) to operating profit (a GAAP measure) is presented in the table below:

	2023 £'000	2022 £'000
EBITDA	77,142	71,553
Depreciation of property, plant and equipment	(26,243)	(28,679)
Amortisation of intangible fixed assets	(15,835)	(15,453)
Operating profit	35,064	27,421

(b) Auditors' remuneration

	2023 £'000	2022 £'000
Fees payable to the Company's auditors for the audit of the Company and the consolidated financial statements of Infinis Energy Management Limited	37	33
Audit of the financial statements of subsidiaries	222	224
Prior year audit fees	5	15
	264	272

No non-audit services have been provided by the auditors during the current or prior year.

8. Staff numbers and costs

The monthly average number of persons employed by the Group (including Directors) during the year, analysed by category, was as follows:

	2023 Number	2022 Number
Operational staff	194	193
Administration and management	82	77
	276	270

The aggregate payroll costs of these persons were as follows:

	2023 £'000	2022 £'000
Charged to operating expenses		
Wages and salaries	20,608	17,918
Social security costs	2,195	1,760
Pension costs – defined contribution plans	808	819
	23,611	20,497

Refer to note 23 for details of the directors remuneration.

Long Term Incentive Plan (LTIP) charges of £2.1m were incurred in the year ended 31 March 2023 (2022: £1.2m) and are included in wages and salaries.

Pensions and other post-employment benefit plans

The Group operates a number of defined contribution pension schemes on behalf of eligible employees. The total expenses and amounts owed relating to these plans were as follows:

	2023 £'000	2022 £'000
Pension scheme contributions	808	819
Outstanding pension scheme contributions	137	126

The assets of the scheme are held separately from those of the Group in independently administered fund.

Notes forming part of the financial statements

9. Finance costs and income

	2023 £'000	2022 £'000
Finance costs		
Interest on secured loans	9,941	8,398
Interest on shareholder loans	16,059	16,219
Amortisation of arrangement fees	952	952
Impact of discontinued hedges	432	432
Provisions: unwinding of discount	81	76
Interest on lease liabilities	481	101
Exchange losses	234	-
Total finance costs	28,180	26,178
Finance income		
Bank and other interest receivable	(159)	(3)
Total finance income	(159)	(3)
Net finance costs	28,021	26,175

10. Income tax

Recognised in the income statement:

	2023 £'000	2022 £'000
Current tax		
Current year	515	(352)
Adjustments in respect of prior years	(544)	(975)
Total current tax charge	(29)	(1,327)
Deferred tax		
Origination and reversal of temporary differences	(3,397)	964
Adjustments in respect of prior years	554	433
Increase in corporation tax rate	0	(10,634)
Total deferred tax (charge)/credit	(2,843)	(9,237)
Total tax (charge)/credit	(2,872)	(10,564)
Reconciliation of effective tax rate		
Profit/(loss) before tax	7,043	1,246
Tax charge at the UK corporation tax rate of 19% (2022: 19%)	(1,338)	(237)
Non-taxable income	0	850
Non-deductible expenses	(1,544)	(3)
Adjustments in respect of prior years	10	(540)
Impact of change in corporation tax rate	0	(10,634)
Total tax (charge)/credit	(2,872)	(10,564)

Notes forming part of the financial statements

11. Property, plant and equipment

	Property, plant and equipment £'000	Right-of-use assets £'000	Assets under construction £'000	Total £'000
Cost				
At 1 April 2021	228,995	3,765	6,904	239,664
Additions	-	737	15,796	16,533
Disposals	(2,966)	-	(31)	(2,997)
Transfers	14,228	-	(14,228)	-
At 31 March 2022	240,257	4,502	8,441	253,200
Additions	5,964	7,876	69,554	83,394
Acquisitions through business combinations	1,500	-	-	1,500
Disposals	(2,788)	-	-	(2,788)
Transfers	11,527	-	(11,527)	-
At 31 March 2023	256,460	12,378	66,468	335,306
Accumulated depreciation and impairment				
At 1 April 2021	121,968	1,847	455	124,270
Depreciation	27,818	861	-	28,679
Impairment	(35)	-	-	(35)
Disposals	(2,307)	-	-	(2,307)
At 31 March 2022	147,444	2,708	455	150,607
Depreciation	25,614	629	-	26,243
Impairment	-	-	-	-
Disposals	(2,696)	-	-	(2,696)
At 31 March 2023	170,362	3,337	455	174,154
Net book value				
At 31 March 2023	**86,098**	**9,041**	**66,013**	**161,152**
At 31 March 2022	**92,813**	**1,794**	**7,986**	**102,593**

The basis of impairment testing is set out in note 12.

Right-of-use assets comprise property with a net book value at 31 March 2023 of £9.0m (FY22: £1.5m) and vehicle leases with a net book value at 31 March 2023 of £0.1m (FY22: £0.3m).

Notes forming part of the financial statements

12. Goodwill and other intangible assets

		Other intangible assets			
	Goodwill £'000	CLM and CMM gas rights £'000	Development costs £'000	Other £'000	Total £'000
Cost					
At 1 April 2021	68,230	364,624	1,719	14,171	448,744
Acquisitions	-	-	10,555	-	10,555
Additions	-	-	2,664	-	2,664
At 31 March 2022	68,230	364,624	14,938	14,171	461,963
Acquisitions	-	500	300	-	800
Additions	-	-	1,438	-	1,438
At 31 March 2023	68,230	365,124	16,676	14,171	464,201
Amortisation					
At 1 April 2021	-	100,208	-	7,750	107,958
Amortisation	-	13,727	-	1,726	15,453
At 31 March 2022	-	113,935	-	9,476	123,411
Amortisation	-	14,616	-	1,219	15,835
At 31 March 2023	-	128,551	-	10,695	139,246
Net book value					
At 31 March 2023	68,230	236,573	16,676	3,476	324,955
At 31 March 2022	68,230	250,689	14,938	4,695	338,552

The Group tests the carrying amounts of goodwill annually as described in note 3.

A value in use model is used to determine the recoverable amount of assets subject to impairment testing. The discounted estimated future operating cash flows are compared to the net carrying value of the cash generating unit's (CGU's) assets. The Group's operating segments, as reported internally to management, form the basis of determining the CGUs for the assessment, with allocations required for unallocated costs (e.g. overheads).

Goodwill balance of £68.2m is allocated £19.4m CLM and £48.8m FG consistent with prior year. Other intangible assets of £3.5m include brand (£2.4m) and STOR contracts (£1.1m). Brand and STOR contracts have four and two years of amortisation remaining, respectively.

Gas rights are amortised over the remaining life of the sites which can be up to 40 years.

Property, plant and equipment are separately tested at an individual asset level when there is an impairment trigger.

Impairment
In the year ended 31 March 2023 no impairment has been recognised by the Group (FY22: nil).

Impairment testing
The Group forecasts CGU cash flow to the earlier of the CGU's useful economic life, or 40 years. Future cash flows are calculated at operational site level for each segment. The calculation of future cash flows varies subject to the status of each site:

- Existing operational sites: are project based on the projected gross margin over their operational life
- Development Projects in construction: are projected based on the project gross margin from the estimated energisation date less committed projected CAPEX to complete the construction and energisation of the project;
- Development Projects not in construction are projected based on the project gross margin from the estimated energisation date less all costs to construct and energise the project.

Notes forming part of the financial statements

12. Goodwill and other intangible assets continued

Impairment testing continued

The future cash flows are discounted by the post-tax discount rate of each CGU which equates to CLM 6.0% (2022: 5.0%); CMM 6.25% (5.5%); FG 7.25% (2022: 6.0%) and Solar 6.0% (2022: 4.5%). This discount rate reflects Infinis' estimated weighted average cost of capital with a specific risk premium applied to each CGU to reflect the specific risk profile.

An impairment loss is recognised if the carrying amount of the single CGU exceeds its recoverable amount, which is equal to the value of the future discounted cash flows. Any impairment losses are recognised in the income statement. Any impairment loss previously recorded in respect of goodwill is not reversed. For all other assets, an impairment loss is reversed only to the extent that the CGU'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.

The impairment tests for goodwill are based on the FY24 budget and Long Term Plan, modified as appropriate to reflect the latest conditions, and incorporate the following assumptions:

- Methane volumes (CLM and CMM) are based on existing site by site performance, reflecting known or projected changes for the next twelve months and independently assessed projections for the medium and longer term
- Solar exported power is based on yield assumptions as calculated by third party software, which reflects the specific location, design of the site, photovoltaic panel capacity and loss and historic P50 irradiation data
- Revenue for CLM, CMM or Solar is based on contracted pricing per MWh (for all trades completed to the Balance Sheet date) and then the latest Baringa projection for the medium to long term
- Flexible generation is based on an estimate of annual market returns per installed MW from operating in the markets, rather than the exported power multiplied by an ASP per MWh. Specific to BESS, this will vary subject to the capacity of each system. Projects are on a net margin basis from trading (reflecting revenue less either natural gas cost (PR) or import power cost (BESS)). Data is based on the latest quarterly margin projections from Baringa.
- Other revenue reflects existing contracted revenue under STOR and Capacity Market contracts within certain CMM, and Flexible generation sites. When existing Capacity Market contracts end, it is assumed these are renewed at the current T-4 rate of £30/MW derated accordingly by each technology. When CLM ROC subsidy ends, it is assumed these assets will be eligible for the Capacity Market and secure contracts in the T-4.
- CLM royalties are calculated based on existing royalty agreements, specific to each site. The royalty percentage applied to revenue reduces in the period post the end of CLM ROC subsidy reflecting the provisions within existing agreements for all sites which allow for agreements to be exited / renegotiated when site economics materially alter
- Operational costs (excluding royalties) are specific to each division. The FY24 budget cost is calculated for each key operational cost line as a cost per MWh for each CGU and then projected forward, adjusted for the specific inflationary factors noted below.
- Overheads are projected based on the expected future business requirements
- Corporation Tax liability is calculated 25%, being the rate applicable to the business from 1 April 2023. Additional tax is also payable under the Energy Generator Levy ("EGL") in the period through to March 2028 (when the levy legislation expires). The EGL remains in draft legislation. The benefit of enhanced capital allowances, announced in the March 2023 budget, has not been reflected in the calculations as this legislation was not enacted at the Balance Sheet date
- Maintenance CAPEX is based on the forecast profile based on projected exported MWh, based on the current cost per MWh adjusted for CPI. When CLM ROC subsidy ends, a revised maintenance schedule is implemented with a reduced annual cost per MWh.
- Development CAPEX reflects existing rates for procurement of key components, balance of system construction costs for small, medium and large Solar and Battery projects based on existing procurement and known grid costs from accepted grid offers for each project, where applicable. Inflation is not applied on the basis like for like costs have increased by some [30%] in the two year period driven a series of near term factors which are expected, but not projected, to normalise.

Notes forming part of the financial statements

12. Goodwill and other intangible assets continued

Impairment testing continued

Uncontracted revenue within CLM, CMM and Solar is uplifted by CPI. Contracted revenue is not adjusted for CPI unless the contracts contain express provisions for indexation based on RPI or CPI. Solar CfD contracts (within traded power); ROC buy-out; GDUoS, STOR and Capacity Market revenue all contain inflationary uplift. CPI assumptions for the next 3 years are 6%, 4% and 3% held flat for all future years. RPI is assumed to be 8%, 6% and 3% held flat for all future years – RPI is only applicable to ROC revenue which is projected to end subject to the ROC agreement on each CLM engine, the majority of which end at March 2027. Overall, the business indexed linked revenues notably exceed the cost and maintenance CAPEX base meaning that a high inflation economy represents an upside to projected earnings. CPI inflation applies to specific costs such as labour, maintenance spend and CAPEX and overheads. Specific market driven assumptions are applied to site import power (based on the same uncontracted power pricing as revenue) and oil.

CLM

Management has an in-depth knowledge of the composition of each landfill site and the associated methane reserves an annual volumes which are extracted. These forecasts are updated on a regular basis. With the portfolio of 93 operational sites, earning benefit from a significant portfolio effect, ensuring highly accurate projections.

The projections are not sensitive to any site, with no site generating more than 8.5% of projected FY24 revenue (2023:7.9%). Imbalance risk on PPAs is managed by allocating contracted volume on any one PPA, across multiple sites. Flexible PPAs with all Offtakers have lower end volume tolerance should site outages or other external factors limit generation, with the ability to refix additional volume should performance be projected to exceed the reference volume.

CMM

Operating very similar to CLM, CMM consists of 12 operational sites. With a like for like lower level of annual methane generation per site, each site is operated with specific reference to its maintainable annual export capacity.

Exported power is contracted to one Offtaker, with the PPA consistent with that of CLM. Projections are more sensitive to the loss or reduction in generation from specific sites with the largest site representing 12.4% of FY24 revenue (2023: 36.3%) and the three largest sites representing 66.8 % (2023: 65.6%). In recent years, certain sites have unexpectedly either reduced or ceased generating methane which has resulted in the company dropping below minimum volume tolerances within its PPA and the requirement to buyback power in the market, as detailed in Note 7a. Going forward, the projections are notably above the contracted PPA reference volume ensuring this risk is mitigated within the period of the projections.

Flooding of CMM mines remains a long term risk which cannot be projected or mitigated against. This risk however is partially offset by the differing gas field characteristics across the portfolio which result in the methane only being extracted when the engines are operating. In the event of engine failure, the methane is simply stored in the mine shaft and extracted at a later date. This also allows sites to operate with a generation profile weighted to higher priced winter generation, with all sites either being reduced or turned off in the summer months.

Flexible Generation

Flexible generation, currently comprising of Power Response with the initial two Battery Energy Storage System in construction included in the cash flow projections, aligns with the need to support the energy transition and the associated increased demand for electricity, intermittency of renewable and changing shape of demand.

Flexible generation assets have performed very well within the UK markets for the last two years. The projections apply the forecasts of Baringa for both power response and BESS and reflect the projected performance. Projections average 53% of the results delivered in FY23, to reflect a cautious view on these market driven assets which by their nature are challenging to annually forecast. By focusing on smaller, largely 11KV connected assets, Infinis currently benefits from GDUoS income which provides a variable uplift (based on site location) to the actual margin per MWh achieved. Earning certainty is further boosted by a higher degree of indexed linked capacity market revenue.

UK and European power markets remain tight which represent notable opportunity for flexible assets. Equally, benign conditions and high gas storage levels represent challenges to earnings projections.

All Assets are dispatched by a third-party Optimiser based on market conditions and minimum margin information which is specific to each site. PR engines are on a standard engine maintenance cycle and overhaul schedule, albeit operating potentially reduced hours per day, overhaul intervals are significantly longer than for CLM and CMM. BESS assets are

Notes forming part of the financial statements

12. Goodwill and other intangible assets continued

Impairment testing continued

maintained by the equipment provider under a 10 year extended warranty with asset performance guaranteed against a standard degradation curve, with performance reducing each year based on manufacturer information. After 10 years, BESS cells are forecast to require replacement at an assumed cost of 30% of the initial project CAPEX, with asset performance increasing back to the same efficiency as Year 1 following this investment.

Solar
As at March 2023, Infinis has 2 operational solar sites (11MWp) with a further 2 sites (92MWp) largely constructed at March 2023 and due to start generating during Summer 23. The Group continues to develop solar projects.

Solar is an established technology with an operational life of 40 years, supported by a manufacturer warranty (similar to BESS) for 25 years.

Sensitivities
Cash flow projections used for the value in use modelling are by their nature subject to inherent uncertainties. The key sensitivities modelled and the impact on the impairment assessment include:

CGU	CLM	CMM	FG	Solar
(i) The discount rate used is based on the weighted cost of capital calculation and requires a series of assumptions related to the risk profile of each CGU, market risk and target gearing. Were the discount rate to be 1% higher the impact would be	-	-	-	-
(ii) CLM and CMM medium and long term projections are dependent on market pricing. Our progressive hedging strategy forward sells power for up to 3 years ahead, in small gradual increments thus ensuring a high degree of revenue protection within this period. The power market is cyclical and has historically experienced periods of high (as experienced in the last year) and low (as experienced in the initial months of the COVID-19 pandemic) however have a relatively consistent long term pricing averages. For Solar assets, these are assumed to operate under CfD contracts which provide an indexed linked fixed revenue per MWh generated, essentially acting as a swap to the day ahead market. Solar assets therefore have long term revenue certainty, other than for the initial two to three year from energisation through to CfD contracts commencing. This sensitivity projects an overall reduction of 20% in the uncontracted power assumptions applied within the projections. For an impairment to occur in CLM, pricing would need to reduce by an average of 30% over the period of the projections.	-	1.1	-	-
(iii) The Flexible Generation division earnings vary subject to market conditions, with peak earnings in periods of higher volatility in supply and increased demand. Weather conditions together with EU energy demand and supply also influence. Forecasting long term earnings is therefore challenging and is based on a mix of run rate performance by site and third-party independent market projections from Baringa. The existing projections reflect notable headroom on BESS assets in Construction, which would offset a 10% or 20% reduction in the projections applied to the PR assets within this division. BESS assets are a newer technology and while market data corroborates the last three returns per MW, there is not the trading and earnings history of more mature technologies.	N/a	N/a	-	N/a

Notes forming part of the financial statements

12. Goodwill and other intangible assets continued

Sensitivities continued

CGU	CLM	CMM	FG	Solar
(iv) For CLM and CMM, were the projected exported power (through either reduced methane volume of lower engine availability and/or reliability) to be 2% lower per annum than projected, the impact would be	-	-	N/a	N/a
(v) the majority of PR sites within the Flexible Generation CGU have an installed capacity which makes them exempt from paying carbon taxes on each MWh generated (UK ETS). BEIS have stated this exemption is under review and there is the possibility the exemption may be removed in full from FY25. The projections assume 50% of the forecast additional cost is removed from the projected margin from FY25 on the basis that PR is the marginal price setting plant in periods of high demand which would allow it to reflect higher margin in these periods (including/absorbing the additional cost). Were it not possible to add UKETS to the projected margin for any period, then this would reduce projections for FG by £14m. This would not trigger an impairment within FG however it would remove the majority of headroom. Were projections from BESS to then be reduced this may trigger an impairment for the CGU.	N/a	N/a	-	N/a
(vi) As noted above, index linked revenue acts as a shelter to inflation on operational costs, overheads and maintenance CAPEX such that higher than projected inflation would not represent a downside to projections, ultimately increasing headroom. In such an environment base rate would continue to rise which may alter the cost of capital and WACC (see I above)	-	-	-	-

13. Inventories

	2023	2022
	£'000	£'000
Parts and spares	5,714	3,470
Lubricants	963	767
	6,677	4,237

Refer to note 7 for cost of inventories recognised as an expense.

14. Trade and other receivables

	2023	2022
	£'000	£'000
Trade receivables	662	3,199
Accrued income	29,703	27,842
Prepayments	2,279	1,815
Other receivables	1,735	220
Corporation tax debtor	3,639	642
	38,018	33,718

Accrued income includes £5.8m of ROC Recycle revenue (FY22: £7.3m).

Notes forming part of the financial statements

15. Interest-bearing loans and borrowings

The Group's interest-bearing loans and borrowings are measured at amortised cost. Information relating to interest rates and liquidity is included in note 20c.

	2023 £'000	2022 £'000
Non-current		
Secured loans	203,352	202,564
Shareholder loan	226,183	202,730
Secured loan – RCF	-	38,000
Lease liabilities	9,060	1,437
	438,595	444,731
Current		
Lease liabilities	357	422
	357	422

Secured loans – Senior debt

At 31 March 2023 the Group had in place a £246.0m banking facility, comprising a £65.0m term loan maturing in January *2032, a £141.0m term loan maturing in January 2026 and a £40.0m revolving credit facility (RCF).*

The carrying value of the loan at 31 March 2023 of £203.4m (2022: £202.6m) is stated net of unamortised issue costs of £2.6m (2022: £3.4m). These costs are being amortised to the income statement over the term of the facility.

The £65.0m term loan attracts interest at a fixed rate of 5.0%, matures in January 2032 and is repayable at that date.

The £141.0m term loan has two applicable interest rates. £105.8m of the term loan value attracts interest at a fixed rate of 3.61% until August 2023 and 2.75% from August 2023 to maturity in January 2026. £35.2m of the loan value is at a variable rate of SONIA +2.35%.

The secured loans are subject to financial covenants, including interest cover and leverage ratios. The Group was compliant with these financial covenants in the year ended 31 March 2023 and projects compliance going forward for each test through to loan maturity dates.

Shareholder loan

At 31 March 2023 the Group had £226.2m (2022: £202.7m) of interest-bearing subordinated unsecured loan notes in issue to Infinis Energy Group Holdings Limited. In the year, a supplemental loan was issued for £30m. The loan notes are due for repayment in 2045 and attract interest at a rate of 8%.

Shareholder payments of £22.5m (2022: £15.0m) were made in the year ended 31 March 2023 consisting of £8.5m principal repayments (FY22: nil), and interest payments of £14.0m (2022: £15.0m).

Notes forming part of the financial statements

16. Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	2023 £'000	2022 £'000
Liabilities		
Property, plant and equipment	20,840	8,816
Intangible assets	40,827	44,563
Other temporary differences	1,054	176
Total	62,721	53,555
Assets		
Losses	(12,084)	(7,019)
Other temporary differences	-	-
Total	(12,084)	(7,019)
Net deferred tax liability	50,637	46,536

Movement in deferred tax assets and liabilities during the year:

	At beginning of the year £'000	Acquisitions £'000	Recognised in reserves £'000	Temporary differences in the year £'000	Rate change £'000	At the end of the year £'000
31 March 2023						
Property, plant and equipment	8,816	-	-	12,024	-	20,840
Intangibles	44,563	-	-	(3,736)	-	40,827
Losses	(7,019)	-	-	(5,065)	-	(12,084)
Other temporary differences	176	-	1,255	(377)	-	1,054
Total	46,536	-	1,255	2,846	-	50,637
31 March 2022						
Property, plant and equipment	5,799	-	-	2,230	787	8,816
Intangibles	36,491	1,925	-	(4,081)	10,228	44,563
Losses	(7,526)	-	-	507	-	(7,019)
Other temporary differences	(1,192)	-	1,802	(53)	(381)	176
Total	33,572	1,925	1,802	(1,397)	10,634	46,536

A change to the main UK corporation tax rate to 25%, announced in the Budget 2021 on 3 March 2021, was substantively enacted on 24 May 2021. Consequently, the Group has adjusted its deferred tax liability to 25% in the year to 31 March 2022 with a corresponding charge to the income statement of £10.6m.

Losses arise in the CMM division and are measured at an effective tax rate of 40%. For corporation tax purposes, the extraction of methane in the CMM division is considered an oil extraction activity and therefore deemed a separate ring fence trade, the profits of which are subject to ring fence corporation tax and supplementary charge at an aggregate rate of 40%. The Group anticipates being able to utilise these losses and therefore recognises a deferred tax asset.

Notes forming part of the financial statements

17. Provisions

	Decommissioning provisions £'000	Other provisions £'000	Total provisions £'000
At 1 April 2021	8,436	1,192	9,628
Unwinding of discount	76	-	76
Reduction in provision credited to plant and equipment	24	-	24
Additions	(577)	-	(577)
Utilisation of provisions	(350)	(90)	(440)
At 31 March 2022	**7,609**	**1,102**	**8,711**
Unwinding of discount	81	-	81
Reduction in provision credited to decommissioning costs	(636)	-	(636)
Additional provision charged to plant and equipment	6,108	-	6,108
Additional provision charged to cost of sales	-	4,764	4,764
Utilisation of provisions	(869)	(29)	(898)
At 31 March 2023	**12,293**	**5,837**	**18,130**

De-commissioning provisions relate to the restoration of the Group's operating sites at the end of their operational life. As explained in the accounting policies in Note 4, provisions are calculated based on the projected value on a site-by-site basis increased by CPI (rates detailed in Note 12) through to the earlier of the projected end of operational life or 40 years from the balance sheet date. The provision is discounted back to present value at the Balance Sheet date from the indexed projected gross liability using 3.75% (FY22: 1.50%) which is the rate of a 25-year UK GILT.

Additional de-commissioning provisions have been reflected in the year totalling £6.1m for the new solar site constructed in the year, and the two solar sites which completed construction post year end and were operational at the date of this report. The provisions represent a prudent estimate which is difficult to validate given that there is limited information on the de-commissioning of solar energy parks given this technology has been operating for no more than 20 years in the UK, with projects typically having an operational life of 40 years. Due to the requirements of solar planning, and in the case of solar on landfill the existing landfill restoration obligations (which are deferred by the solar park), the Directors consider appropriate to have a provision for delivering the commitment to remove the equipment at the end of its life. Timing of resulting outflows of economic benefits vary by site.

Other provisions relate primarily to buy back power to honour contractual commitments as mentioned in note 7 and the aftercare and management costs of one site within Infinis (Re-Gen) Limited. These costs are projected to continue at the current rate through to 2046.

During the year £0.8m was utilised from the de-commissioning provision to complete the decommissioning of various projects which were completed in line or within the estimates held for these projects within the provision at March 2022.

Notes forming part of the financial statements

18. Trade and other payables

	2023 £'000	2022 £'000
Amounts due within one year		
Trade payables	6,280	6,210
Accruals and deferred income	23,086	18,612
Amounts payable to a related party	3,331	5,209
Other creditors	1,557	2,513
	34,254	32,544
Amounts due after one year		
Other payables	2,547	3,527

Amounts due after one year relate to liabilities under the Group's Long Term Incentive Plan.

19. Share capital

	Issued share capital 2023 Number	Aggregate nominal value 2023 £'000	Issued share capital 2022 Number	Aggregate nominal value 2022 £'000
Allotted, called up and fully paid				
At 1 April (ordinary shares of £1)	35,000,001	35,000	35,000,001	35,000
At 31 March	35,000,001	35,000	35,000,001	35,000

Notes forming part of the financial statements

20. Financial instruments

Capital management

The Group's policies seek to match long-term assets with long-term finance and to ensure that there is sufficient working capital to meet the Group's commitments as they fall due, comply with the loan covenants and deliver its strategy. Management will continue to monitor actual cash flows against approved cash flow forecasts. The Group continues to be a highly cash generative business that is able to support its financing arrangements.

The capital structure of the Group consists of shareholder equity, shareholder loans and net debt. Net debt is comprised of secured loans and cash and cash equivalents. The Group continues to service all of its debt requirements including covenant compliance and interest payments as they fall due.

Financial instruments

Financial instruments comprise trade and other receivables, accrued income, cash and cash equivalents, loans and borrowings, interest rate swaps, trade and other payables, amounts payable to related parties and provisions. Financial instruments give rise to credit, liquidity and interest rate risks. Information about these risks and how they are managed is set out below.

(a) 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. Valuations are calculated, 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.

The trade and other payables approximate to their fair value due to the short term nature of the payables. The lease liabilities fair value approximates to the carrying value based on discounted future cash flows. The fair value of other financial liabilities at amortised cost approximates to their carrying value.

The following table presents the carrying values and the fair values of financial instruments subsequent to initial recognition.

	Carrying value 2023 £'000	Fair value 2023 £'000	Carrying value 2022 £'000	Fair value 2022 £'000
Financial assets				
Financial assets at amortised cost:				
Cash and cash equivalents	22,526	22,526	62,642	62,642
Trade receivables	662	662	3,199	3,199
Accrued income	29,703	29,703	27,842	27,842
Other receivables	1,735	1,735	220	220
Derivative financial assets	10,301	10,301	5,282	5,282
Total financial assets	64,927	64,927	99,185	99,185
Financial liabilities				
Financial liabilities at amortised cost				
Trade and other payables	33,089	33,089	36,071	36,071
Interest-bearing loans	429,535	429,535	443,294	443,294
Leases	9,417	9,417	1,859	1,859
Financial liabilities at fair value through profit and loss:				
Derivative financial liabilities	-	-	-	-
Total financial liabilities	472,041	472,041	481,224	481,224

Notes forming part of the financial statements

20. Financial instruments continued

(b) Financial risk management – credit risk

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

The Group holds trade receivables and accrued income at amortised cost, which are therefore subject to the expected credit loss model. While cash and cash equivalents and other receivables are also subject to the impairment requirements of IFRS 9, the identified impairment loss was minimal.

To measure the expected credit losses, trade receivables and accrued income have been grouped based on shared credit risk characteristics and the days past due. The accrued income relates to unbilled exported power and has substantially the same risk characteristics as the trade receivables for the same types of contracts. The group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The expected loss rates are based on the historical credit losses experienced. The historical loss rates are adjusted to reflect current and forward-looking information on macro-economic factors affecting the ability of our customers to settle the receivables.

The Group's customer base consists mainly of large, high credit worthy, UK energy offtakers and contracts directly with these organisations.

Trade receivables and accrued income are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments when the debtor is significantly past due. Impairment losses on trade receivables and accrued income are presented within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item. None of the trade receivables and accrued income at the year end are past due.

Notes forming part of the financial statements

20. Financial instruments continued

(c) Financial risk management – liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's Treasury policy is to ensure 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 Group's reputation. The Group finances activities with a combination of external bank facilities, related party borrowings and cash from operating activities. Based on management forecasts, the Group has adequate headroom and will continue to meet liabilities as they fall due.

The following are the contractual maturities of financial liabilities and assets (all sterling denominated), including estimated interest payments and excluding the effect of netting agreements:

	Nominal interest rate	Year of maturity	Carrying value £'000	Cash outflows £'000	In less than one year £'000	Between one and two years £'000	Between two and five years £'000	In more than five years £'000
As at 31 March 2023								
Non-derivative financial liabilities								
Trade payables	-	2024	6,280	(6,280)	(6,280)	-	-	-
Bank loan (RCF)	2.35% + SONIA	2026	-	-	-	-	-	-
Bank loan	2.35% + SONIA	2026	139,188	(155,745)	(5,708)	(5,325)	(144,714)	-
Bank loan	5%	2032	64,164	(95,268)	(3,250)	(3,250)	(10,790)	(77,978)
Lease liabilities	5%	2024-2064	9,417	(26,377)	(978)	(773)	(2,113)	(22,513)
Related party payable	8.0%	2045	226,183	(624,265)	(18,095)	(18,095)	(54,284)	(533,792)
Total – non-derivatives			445,232	(907,935)	(34,311)	(27,443)	(211,901)	(634,283)
Derivative financial instruments								
Derivative financial assets	1.26%-0.40%	2023-2026	(10,301)	-	-	-	-	-
Total – derivatives			(10,301)	-	-	-	-	-
As at 31 March 2022								
Non-derivative financial liabilities								
Trade payables	-	2023	6,210	(6,210)	(6,210)	-	-	-
Bank loan (RCF)	2.35% + SONIA	2026	38,000	(42,428)	(1,155)	(1,155)	(40,118)	-
Bank loan	2.35% + libor	2026	138,647	(157,430)	(4,286)	(4,286)	(148,858)	-
Bank loan	5%	2032	63,916	(98,518)	(3,250)	(3,250)	(10,270)	(81,748)
Lease liabilities	5%	2023-2027	1,859	(3,533)	(505)	(266)	(568)	(2,194)
Related party payable	8.0%	2045	207,939	(613,135)	(22,826)	(17,617)	(52,852)	(519,840)
Total – non-derivatives			456,571	(921,254)	(38,232)	(26,574)	(252,666)	(603,782)
Derivative financial instruments								
Derivative financial assets	1.26%	2023	(5,282)	-	-	-	-	-
Total – derivatives			(5,282)	-	-	-	-	-

Notes forming part of the financial statements

20. Financial instruments continued

(d) Market risk

Financial risk management

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The Group does not have a material exposure to foreign exchange rates and equity prices.

Market risk - Interest rate risk

The Group adopts a policy of limiting exposure to changes in interest rates on borrowings. The Group enters into and designates interest rate swaps as hedges of the variability in cash flows attributable to interest rate risk. At 31 March 2023 75% (2022: 75%) of the Group's £141.0m term loan is subject to an interest rate swap (see note 15).

The transactions and forward contracts are designated with a hedge ratio of 1:1. A hedge is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments, to ensure that an economic relationship exists between the hedged item and hedging instrument. Ineffectiveness may occur due to:

— any fair value adjustments on the interest rate swaps which is not matched by the loan; and
— changes in critical terms between the interest rate swaps and loans.

At 31 March 2023, a balance of £0.2m (FY22: £0.4m) is held within the cash flow hedge reserve in relation to discontinued hedges where the forecast cash flows are still expected to occur. This is being released to finance costs in the income statement on a straight line basis to August 2023.

Profit or loss is sensitive to higher/lower interest costs from changes in interest rates as a result of the element of the Group's term loan that is not hedged. The impact of an increase/decrease in interest rates of 1% is a decrease/increase in the Group's profit before tax of £0.4m (2022: £0.7m).

21. Leases and commitments

	2023 £'000	2022 £'000
Current	357	422
Non-current	9,060	1,437
Lease liabilities at 31 March	9,417	1,859

Capital commitments

During the year, the Group entered into various contracts relating to the purchase of capital equipment and the construction of new solar and BESS projects.

	2023 £'000	2022 £'000
Capital commitments contracted but not provided for	31,846	1,401

The Group has other commitments that are outside the scope of IAS 17 and IFRS 16 relating to site access. These commitments have a duration of between 12 months and 21 years and are a mix of fixed and variable rentals. The cash outflows in the year of the fixed rentals were £1.0m (2022: £0.9m).

Notes forming part of the financial statements

22. Business combinations

On 24 May 2022, Infinis Solar Developments Limited acquired the share capital of Durham Solar 1 Limited for £0.07m. This was a non-trading pre-consent development SPV.

In the year 2022, Infinis Limited acquired the trade and assets for the CLM energy generation business operating on the Buckden landfill site. The consideration for the transaction was approximately £2m, with £1.5m allocated to property, plant and equipment and intangible assets in accordance with SPA.

On 15 March 2023, Infinis Energy Storage Limited acquired the share capital of Gamcap Shoreside Limited. Initial consideration of £0.25m increasing to £0.6m subject to conditions of deferred consideration being achieved (outcome of environment land survey and confirmation cable route within Grid Offer could be delivered). This was a non-trading SPV with a consented development project for a 7MW Battery.

The intangible assets acquired are subject to the Infinis annual impairment testing and have demonstrated no impairment is required.

23. Related parties

(a) Transactions with key management personnel

Directors' shareholdings
None of the Directors had an interest in the shares of the Company.

Remuneration
The key management personnel of the Group are considered to be the Directors of the Company and the Directors of the Governing Board. Their remuneration was as follows:

	2023 £'000	2022 £'000
Short-term employee benefits (including employer national insurance)	1,779	1,710
Other long-term benefits – long-term incentive plan	564	327
Post-employment benefits	64	64
	2,407	2,101

The aggregate of emoluments and amounts receivable under long-term incentive schemes and post-employment benefits of the highest paid Director of the Group were as follows:

	2023 £'000	2022 £'000
Short-term employee benefits (including employer national insurance)	639	638
Other long-term benefits – long-term incentive plan	281	180
Post-employment benefits	41	41
	961	859

Notes forming part of the financial statements

23. Related parties continued

(b) Other related party transactions

3i Infrastructure plc (3iN), a company incorporated in the Channel Islands, is the Company's ultimate parent company. 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 each of the 3iN Holding Companies to be related parties.

Related party transactions occurring during the year and balances outstanding at the year end were as follows:

	Value of transactions 2023 £'000	Value of transactions 2022 £'000	**Outstanding payable 2023 £'000**	Outstanding payable 2022 £'000
3i infrastructure PLC	7,500	7,500	(232,377)	(208,460)

In the year ended 31 March 2023 the Company paid interest of £14.0m (FY22: £15.0m) and repaid loan notes totalling £8.5m (FY22: nil) New loan note funding of £30m (FY22: nil) was also received. There were no other transactions between the Company and either 3iN or any of the 3i Holding Companies during the year, there were no other balances outstanding between the Company and either 3iN or any of the 3i Holding Companies at the year end.

In the year ended 31 March 2023 the Group extended loans of £0.5m to associate companies earning interest at a rate of 5%.

24. Ultimate parent and controlling party

Infinis Energy Group Holdings Limited, a company incorporated in the UK, is the Company's immediate parent company.

3i Green Gas 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 parent and controlling entity is 3i Infrastructure plc, a company registered in Jersey.

Infinis Energy Group Holdings Limited is the largest and smallest group for which consolidated financial statements are prepared.

25. Subsequent events

Shareholder loan notes were listed on The International Stock Exchange for the Channel Islands until 28 April 2023 when they were delisted.

Company statement of financial position
at 31 March 2023

	Note	2023 £'000	2022 £'000
Non-current assets			
Investments	*28*	242,897	242,897
Derivatives		10,301	5,282
		253,198	248,179
Current assets			
Trade and other receivables	*29*	149,010	149,752
Cash and cash equivalents		537	113
		149,547	149,865
Total assets		402,745	398,044
Current liabilities			
Trade and other payables	*32*	41,557	10,653
Non-current liabilities			
Interest-bearing loans and borrowings	*30*	429,535	443,146
Deferred tax	*31*	2,575	1,167
		432,110	444,313
Total liabilities		473,667	454,966
Net liabilities		(70,922)	(56,922)
Equity			
Share capital	*33*	35,000	35,000
Hedging reserve		7,546	3,352
Retained earnings		(113,468)	(95,274)
Total equity		(70,922)	(56,922)

The Company reported a loss of £18,194,000 for the year ended 31 March 2023 (2022: £15,495,000).

The financial statements on pages 41 to 42 were approved by the Board of Directors on 26 July 2023 and were signed on its behalf by:

K Reid
Director

Company number: 10432339

The notes on pages 43 to 49 form part of these financial statements.

Company statement of comprehensive income
for the year ended 31 March 2023

	2023 £'000	2022 £'000
Loss for the year	(18,194)	(15,495)
Other comprehensive income/(expense)		
Items that may be reclassified subsequently to the profit or loss:		
Impact of discontinued hedges	432	432
Amounts recycled to profit and loss	(1,083)	1,194
Fair value movement on cash flow hedges	6,100	5,584
Tax on movement in cash flow hedges	(1,255)	(1,802)
Total other comprehensive income	4,194	5,408
Total comprehensive income/(expense) for the financial year	(14,000)	(10,087)

Company statement of changes in equity
for the year ended 31 March 2023

	Share capital £'000	Hedging reserve £'000	Retained earnings £'000	Total equity £'000
Balance as at 1 April 2021	35,000	(2,056)	(79,779)	(46,835)
Total comprehensive income/(expense)				
Loss for the year	-	-	(15,495)	(15,495)
Recycling of discontinued cash flow hedges	-	432	-	432
Amounts recycled to profit and loss	-	1,194	-	1,194
Fair value movement on cash flow hedges	-	5,584	-	5,584
Tax on movement in cash flow hedges	-	(1,802)	-	(1,802)
Total comprehensive expense for the year	-	5,408	(15,495)	(10,087)
Balance as at 31 March 2022	35,000	3,352	(95,274)	(56,922)
Total comprehensive income/(expense)				
Loss for the year	-	-	(18,194)	(18,194)
Impact of discontinued hedges	-	432	-	432
Amounts recycled to profit and loss	-	(1,083)	-	(1,083)
Fair value movement on cash flow hedges	-	6,100	-	6,100
Tax on movement in cash flow hedges	-	(1,255)	-	(1,255)
Total comprehensive expense for the year	-	4,194	(18,194)	(14,000)
Balance as at 31 March 2023	35,000	7,546	(113,468)	(70,922)

The notes on pages 43 to 49 form part of these financial statements.

Notes forming part of the Company financial statements

Basis of preparation

The Company is a private company limited by shares and incorporated in England in the UK. The Company's registered office is First Floor, 500 Pavilion Drive, Northampton Business Park, Northampton, NN4 7YJ.

The Company has adopted Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101") in these financial statements.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Accounting Standards in conformity with the requirements of the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company is included in the consolidated financial statements of Infinis Energy Management Limited and Infinis Energy Group Holdings Limited. The consolidated financial statements of Infinis Energy Management Limited and Infinis Energy Group Holdings 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;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs; and
- Disclosures in respect of the compensation of Key Management Personnel.

As the consolidated financial statements of Infinis Energy Management Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available 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.

The accounting policies set out below have, unless otherwise stated, been applied consistently for the year ended 31 March 2023.

Measurement convention

The financial statements have been prepared under the historic cost basis.

Going concern

As explained in the Directors' Report on page xx the financial statements have been prepared on the going concern basis.

Profit and loss account

As permitted by section 408 of the Companies Act 2006 the Company has elected not to present its own profit and loss account for the year ended 31 March 2023 or for the year ended 31 March 2022.

Notes forming part of the Company financial statements

26. Accounting policies

Tax

Current tax is the expected tax payable (or receivable) on the taxable income/expense for the year, using tax rates enacted or substantively enacted by the year end. Taxable profit differs from net profit in the profit and loss account because it excludes items of income or expenditure that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

Amounts owed by Group undertakings

For amounts owed by group undertakings, the Company first determines the 12-month expected credit loss, with the lifetime expected credit loss being recognised in the event of a significant increase in default risk. If external or internal rating information is available, the expected credit loss is determined based on the basis of this data. If no rating information is available, the Company determines default ratios on the basis of historical default rates, taking into account forward-looking information on economic developments. The estimates and assumptions used to determine the level of expected credit losses are reviewed periodically to determine if there is a significant increase in default risk.

Impairment

Financial assets (including trade and other receivables)
A financial asset not carried at fair value through profit or loss is assessed at each year end 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.

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, 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 year end. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Investments
Fixed asset investments reflect investments in subsidiaries and are shown at cost less any provision for impairment.

Financial instruments

Non-derivative financial instruments
Non-derivative financial instruments comprise investments, trade and other receivables, accrued income, cash and cash equivalents 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 receivables
Trade and other receivables 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 in the income statement when identified.

Trade and other payables
Trade and other payables are carried at cost.

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. There are no critical accounting judgements, the key accounting estimates are explained below.

Notes forming part of the Company financial statements

26. Accounting policies continued

Key judgments and sources of estimation uncertainty continued

Impairment of investments
In assessing impairment, judgment is required to establish whether there have been any indicators of impairment, either internal or external. Where there is a need to determine the recoverable value of an investment this requires judgments and assumptions related to the expected future cash flows to be derived from the investment.

27. Directors 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.

28. Investments

	Shares in group undertakings £'000
Cost	
At 1 April 2021	319,623
Acquisitions	-
At 31 March 2022 and 31 March 2023	319,623
Impairment	
At 1 April 2021	76,726
Provision for impairment	-
At 31 March 2022 and 31 March 2023	76,726
Carrying value	
At 31 March 2023	242,897
At 31 March 2022	242,897

Impairment testing
During the year the Company reviewed the future cash flows it expects to derive from its subsidiary companies. The key economic assumptions used in assessing future trading cash flows - gas generation, pricing of exported output and inflation - remain consistent year on year, represent management's assessment of future trends and are based on both external and internal sources (prospective and historical data).

Notes forming part of the Company financial statements

28. Investments continued

At 31 March 2023 and 31 March 2022 unless stated otherwise, the Company had the following investments in subsidiaries, associates and jointly controlled entities:

Subsidiary company	Incorporation and operation	Principal activity	Ordinary share capital held
Directly held by the Company:			
Alkane Energy Limited	UK	Holding company	100%
Barbican Holdco Limited[1]	UK	Members' voluntary liquidation	100%
Infinis Alternative Energies Limited	UK	Active	100%
Infinis China (Investments) Limited[1]	UK	Members' voluntary liquidation	100%
Infinis Energy Services Limited	UK	Active	100%
Infinis Energy Storage Limited (formerly Infinis Acquisitions Limited)[1]	UK	Active	100%
Infinis Limited	UK	Active	100%
Infinis Solar Holdings Limited	UK	Holding company	100%
Indirectly held by the Company:			
Alkane Biogas Limited	UK	Dissolved 17 May 2022	100%
Alkane Energy CM Holdings Limited[1]	UK	Members' voluntary liquidation	100%
Alkane Energy CM Limited	UK	Active	100%
Alkane Energy UK Limited	UK	Active	100%
Alkane Services Limited	UK	Dissolved 17 May 2022	100%
Aura Power Solar UK 6 Limited[1]	UK	Active	100%
Barbican Bidco Limited[1]	UK	Members' voluntary liquidation	100%
Bidston Methane Limited[1]	UK	Members' voluntary liquidation	50%
Costessey Energy Limited[1]	UK	Active	100%
Durham Solar 1 Limited[1]	UK	Acquired 30 May 2022	100%
Gengas Limited[1]	UK	Active	100%
Infinis (COE) Limited	UK	Members' voluntary liquidation	100%
Infinis (Re-Gen) Limited	UK	Active	100%
Infinis (Shoreside) Limited[1]	UK	Active	100%
Infinis Solar Developments Limited	UK	Active	100%
Infinis Solar Limited (formerly Reg Ling Hall Solar Limited)	UK	Active	100%
Leven Power Limited[1]	UK	Active	100%
Mayton Wood Energy Limited	UK	Members' voluntary liquidation	100%
ND Solar Enterprises Limited[1]	UK	Active	100%
Novera Energy Generation No. 1 Limited[1]	UK	Active	100%
Novera Energy Generation No. 2 Limited	UK	Active	100%
Novera Energy Generation No. 3 Limited	UK	Members' voluntary liquidation	100%
Novera Energy (Holdings 2) Limited	UK	Holding company	100%
Novera Energy Operating Services Limited[1]	UK	Active	100%
Novera Energy Services UK Limited	UK	Members' voluntary liquidation	100%
Regent Park Energy Limited	UK	Active	100%
Renewable Power Generation Limited[1]	UK	Members' voluntary liquidation	100%
Rhymney Power Limited[1]	UK	Active	100%
Seven Star Natural Gas Limited[1]	UK	Active	100%
Associate company			
Yarnton Energy Centre Limited	UK	Acquired May 2022	49%
Balbougie Energy Centre II Limited	UK	Acquired November 2022	49%

Notes forming part of the Company financial statements

28. Investments continued

[1] The above 100% subsidiaries have taken the exemption from audit under section 479a of the Companies Act 2006.

The Company proactively minimises the number of intermediate non-trading holding companies, and smaller legacy trading entities typically containing one operating site. Following a period of due diligence, where applicable each of the trade, assets and liabilities are transferred to another Group company to facilitate the solvent liquidation of the companies through a members voluntary liquidation process. As at March 2023 6 subsidiaries (March 2022: 10) were in members voluntary liquidation process and are expected to complete the liquidation process in the next twelve months.

The subsidiary undertakings operate and were incorporated in England and Wales, and were 100% owned, unless otherwise stated, as at 31 March 2023. The voting rights are the same as percentage holding. The registered office addresses of those subsidiaries are as follows:

England and Wales
First floor
500 Pavilion Drive
Northampton Business Park
Northampton
NN$ 7YJ

The registered office addresse of thos UK subsidiaries are as filed and available on the Companies House website.

29. Trade and other receivables

	2023 £'000	2022 £'000
Amounts owed by Group companies	138,651	142,764
Corporation tax debtor	10,359	6,988
	149,010	149,752

30. Interest-bearing loans and borrowings

	2023 £'000	2022 £'000
Non-current		
Secured loans	203,352	240,416
Shareholder loan	226,183	202,730
	429,535	443,146

The outstanding interest-bearing loans and borrowings are the same for the Company as for the Group. Details relating to the contractual terms of the Company's interest-bearing loans and borrowings are, which are measured at amortised cost, are set out in note 15.

Information relating to interest rates and liquidity is included in note 20.

Notes forming part of the Company financial statements

31. Deferred tax

Deferred tax liabilities and assets are attributable to other timing differences and the movement in deferred tax assets during the year is as per the below:

	At 1 April 2022	Recognised in reserves	Rate change	At 31 March 2023
	£'000	£'000	£'000	£'000
Other timing differences	(1,167)	(1,408)	-	(2,575)
Total	(1,167)	(1,408)	-	(2,575)

	At 1 April 2021	Recognised in reserves	Rate change	At 31 March 2022
	£'000	£'000	£'000	£'000
Other timing differences	483	(1,802)	152	(1,167)
Total	483	(1,802)	152	(1,167)

32. Trade and other payables

	2023	2022
	£'000	£'000
Trade payables and accruals	81	1,699
Amounts payable to a related party	8,332	5,209
Amounts owed to Group companies	33,144	3,745
	41,557	10,653

33. Share Capital

	Issued share capital 2023	Aggregate nominal value 2023	Issued share capital 2022	Aggregate nominal value 2022
	Number	£'000	Number	£'000
Allotted, called up and fully paid				
At 1 April - ordinary share of £1	35,000,001	35,000	35,000,001	35,000
At 31 March	35,000,001	35,000	35,000,001	35,000

34. Related party disclosures

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

Refer to note 23 for further details in relation to related parties.

Notes forming part of the Company financial statements

35. Ultimate parent and controlling entity

The Company is a member of the group headed by Infinis Energy Group Holdings Limited, the Company's immediate parent company. 3i Green Gas Limited (formerly 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.

The Company is the head of the smallest group for which consolidated financial statements are prepared. 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 both these groups are available to the public and may be obtained from the Company Secretary, First Floor, 500 Pavilion Drive, Northampton Business Park, Northampton, NN4 7YJ.