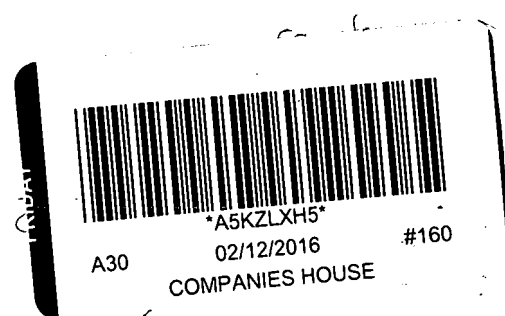


Gengas Limited

Annual report and financial statements

Registered number 03033261

Year ended 31 March 2016



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Directors' report

The directors (the "Directors") present their Directors' report and audited financial statements for Gengas Limited (the "Company") for the year ended 31 March 2016. The Company has early adopted the exemptions available in Sections 414(B) and 416(3) of the Companies Act 2006 with regard to the Small Companies Regime. Accordingly the Company has elected not to prepare a strategic report or as part of the Directors' report, disclosures relating to the dividends declared and (if any) paid during the year under review.

Principal activities

The principal activity of the Company is the generation and sale of electricity from gas extracted from landfill sites.

Directors

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

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

Directors' indemnity and insurance

An associated company has granted an indemnity to certain current Directors under which the associated company will indemnify them, subject to the terms of clause 10.2 of the Corporate Governance Deed, against any liability or losses or expenses incurred by them in the performance of their duties. These are qualifying third party indemnity provisions for the purposes of Section 234 of the Companies Act 2006.

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

Statement of disclosure of information to auditor

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware and each Director has taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

On behalf of the board

T E Hinton
Director

28 September 2016



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

Directors' responsibilities statement

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements: and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Independent auditor's report to the members of Gengas Limited

We have audited the financial statements of Gengas Limited for the year ended 31 March 2016 set out on pages 5 to 21. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

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

Respective responsibilities of Directors and auditor

As explained more fully in the Directors' responsibilities statement set out on page 3, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to the advantage of the Small Companies exemption from the requirement to prepare a strategic report.



Ian Griffiths
(Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL
United Kingdom

30 September 2016

Profit and loss account and other comprehensive income

for the year ended 31 March 2016

	Note	2016 £'000	2015 £'000
Turnover	2	7,362	7,988
Cost of sales		(6,101)	(6,345)
Gross profit		1,261	1,643
Administrative expenses		(486)	(594)
Operating profit	3	775	1,049
Other interest receivable and similar income	6	3	3
Interest payable and similar charges	7	(1,441)	(1,394)
Loss on ordinary activities before taxation		(663)	(342)
Tax on loss on ordinary activities	8	21	59
Loss for the financial year		(642)	(283)

The Company has no other comprehensive income or loss items and therefore total comprehensive loss (2015: loss) for the year is £642,000 (2015: £283,000).

The notes on pages 8 to 21 form part of these financial statements.

Balance sheet

at 31 March 2016


	Note	2016 £'000	2015 £'000
Fixed assets			
Tangible assets	9	5,199	5,820
		<u>5,199</u>	<u>5,820</u>
Current assets			
Debtors	10	25,536	22,986
Cash at bank and in hand		45	617
		<u>25,581</u>	<u>23,603</u>
Creditors: amounts falling due within one year	11	(38,528)	(36,529)
Net current liabilities		<u>(12,947)</u>	<u>(12,926)</u>
Total assets less current liabilities		<u>(7,748)</u>	<u>(7,106)</u>
Net liabilities		<u>(7,748)</u>	<u>(7,106)</u>
Capital and reserves			
Called up share capital	12	-	-
Share premium account		2	2
Other reserves		1,903	1,903
Profit and loss account		(9,653)	(9,011)
Shareholder's deficit		<u>(7,748)</u>	<u>(7,106)</u>

The notes on pages 8 to 21 form part of these financial statements.

The financial statements were approved by the board of Directors on 28 September 2016 and were signed on its behalf by:

T E Hinton
Director

Company registration no. 03033261



Statement of changes in equity

	Called up share capital £'000	Share premium account £'000	Other reserves £'000	Profit and loss account £'000	Total equity £'000
Balance at 1 April 2015	-	2	1,903	(9,011)	(7,106)
Total comprehensive income for the year					
Loss for the year	-	-	-	(642)	(642)
Total comprehensive income for the year	-	-	-	(642)	(642)
Transactions with owners, recorded directly in equity					
Total contributions by and distributions to owners	-	-	-	-	-
Balance at 31 March 2016	-	2	1,903	(9,653)	(7,748)

	Called up share capital £'000	Share premium account £'000	Other reserves £'000	Profit and loss account £'000	Total equity £'000
Balance at 1 April 2014	-	2	1,903	(8,728)	(6,823)
Total comprehensive income for the year					
Loss for the year	-	-	-	(283)	(283)
Total comprehensive income for the year	-	-	-	(283)	(283)
Transactions with owners, recorded directly in equity					
Total contributions by and distributions to owners	-	-	-	-	-
Balance at 31 March 2015	-	2	1,903	(9,011)	(7,106)

Notes (forming part of the financial statements)

1 Accounting policies

Basis of preparation

Gengas Limited is a company incorporated and domiciled in the UK.

The Company has adopted Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101") in these financial statements for the first time. The amendments to FRS 101 (2014/15 Cycle) issued in July 2015 and effective immediately have been applied.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In the transition to FRS 101, the Company has applied IFRS 1 whilst ensuring that its assets and liabilities are measured in compliance with FRS 101. There were no adjustments to the previously reported financial position or financial performance of the Company.

The Company's ultimate parent undertaking, Infinis Energy Limited includes the Company in its consolidated financial statements. The consolidated financial statements of Infinis Energy Limited are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from the Company Secretary, First Floor, 500 Pavilion Drive, Northampton Business Park, Northampton, NN4 7YJ.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital and tangible fixed assets;
- 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.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements and in preparing an opening FRS 101 IFRS balance sheet at 1 April 2014 for the purposes of the transition to FRS 101 Adopted IFRSs.

Measurement convention

The financial statements are prepared on the historical cost basis.

Notes (forming part of the financial statements)

1 Accounting policies (continued)

Going concern

The financial statements have been prepared on the going concern basis, notwithstanding net current liabilities of £12,947,000 (2015: net current liabilities £12,926,000). The Directors believe this to be appropriate because the Company is dependent for its working capital on funds provided to it by entities within the Infinis Energy Limited group of companies (the "Infinis Energy Group"). Such entities or a common holding company of such entities and the Company have indicated that they intend to ensure that the Company is able to meet its financial liabilities and obligations as they fall due for the twelve months after the date upon which the statutory accounts of the Company are finalised by signature of the audit opinion thereto, to the extent where applicable that the Company remains a subsidiary of such other members of the Infinis Energy Group and that balances are outstanding from time to time, capable of repayment on demand and calling for such repayment would be likely to give rise to the inability of the Company to meet its financial liabilities and obligations as they fall due. The Directors consider that this should enable the Company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. As with any company placing reliance on other entities for financial support, the Directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it or equivalent substitute support will not do so. Based on this undertaking the Directors believe that it remains appropriate to prepare the financial statements on a going concern basis.

The Company had outstanding capital commitments amounting to £7,000 as at 31 March 2016 (2015 £59,000).

Turnover

Turnover is the amount derived from the sale of electricity and associated renewable certificates and embedded benefits in the normal course of business, measured at the fair value of consideration received or receivable, net of value added tax and trade discounts. All revenue is generated in the United Kingdom.

Revenue (except for the recycled element of the ROC price) is recognised where there is a signed unconditional contract of sale and is based upon the quantity of electricity exported and the contracted rate on the date of generation.

Revenue includes an estimate for the recycled price of Renewable Obligation Certificates (ROCs) sold during the financial period. This price is variable and is estimated based on a number of factors including UK electricity demand, targets set for renewable generation in the UK and the actual amount of UK renewable energy generation achieved.

Interest income

Interest income is recognised when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable.

Interest payable

Interest payable is recognised in the profit and loss account as it accrues, using the effective interest method. Costs incurred in raising finance are capitalised and amortised over the length of the borrowing. Additional costs incurred due to the redemption of a facility are charged to the profit and loss account in the period in which they are incurred.

Notes (forming part of the financial statements)

1 Accounting policies (continued)

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax is provided at amounts expected to be paid (or recovered) using tax rates that have been enacted or substantively enacted by the balance sheet date. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Notes (forming part of the financial statements)

1 Accounting policies (continued)

Fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Land is not depreciated and assets under construction are not depreciated until they are commissioned. The estimated useful lives are as follows:

- Plant and equipment life of lease or expected life of asset

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

Impairment

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

Notes (forming part of the financial statements)

1 Accounting policies (continued)

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Financial Instruments

Non-derivative financial instruments

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

Trade and other debtors

Trade and other debtors are carried at original invoice amount less any allowance for uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written-off when identified.

Trade and other creditors

Trade and other creditors are carried at cost.

2 Turnover

Turnover consists entirely of sales of electrical power, and associated renewable certificates and embedded benefits, made to customers within the United Kingdom.

3 Operating profit

	2016 £'000	2015 £'000
Operating profit is stated after charging:		
Depreciation of fixed assets	1,670	1,635
Payments to landlords	2,319	2,425
	<u> </u>	<u> </u>

4 Auditor's remuneration

	2016 £'000	2015 £'000
Audit of these financial statements	10	9
	<u> </u>	<u> </u>

Audit fees for the year ended 31 March 2016 and for the year ended 31 March 2015 were borne by another group company.

Notes (forming part of the financial statements)

5 Directors' emoluments and employees

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

6 Other Interest receivable and similar income

	2016	2015
	£'000	£'000
Bank interest receivable and similar income	3	3
	<u>3</u>	<u>3</u>
	<u><u>3</u></u>	<u><u>3</u></u>

7 Interest payable and similar charges

	2016	2015
	£'000	£'000
Payable to group undertakings	1,441	1,394
	<u>1,441</u>	<u>1,394</u>
	<u><u>1,441</u></u>	<u><u>1,394</u></u>

Notes (forming part of the financial statements)

8 Taxation

Recognised in the profit and loss account

	2016 £'000	2015 £'000
<i>United Kingdom corporation tax</i>		
Current tax on expense in the year	(12)	-
Total current tax	(12)	-
<i>Deferred tax</i>		
Origination and reversal of temporary differences	139	64
Adjustment in respect of prior years	(72)	(5)
Reduction in tax rate	(34)	-
Total deferred tax	33	59
Tax on loss on ordinary activities	21	59

Reconciliation of effective tax rate

	2016 £'000	2015 £'000
Loss for the year/period	(642)	(283)
Total tax credit	(21)	(59)
Loss excluding taxation	(663)	(342)
Tax using the UK corporation tax rate of 20% (2015: 21%)	133	72
Non-deductible expenses	(6)	(8)
Reduction in tax rate on deferred tax balances	(34)	-
Adjustments relating to prior periods	(72)	(5)
Total tax credit	21	59

For the year ended 31 March 2016, the corporation tax rate was 20% (2015: 21%). On 18 November 2015, changes to the corporation tax rate were substantially enacted, reducing the tax rate to 19% from April 2017 and 18% from 1 April 2020. This will reduce the Company's future tax rate accordingly. The full effect of this reduction has been reflected in the deferred tax figures of these financial statements. An additional reduction to 17% (effective from 1 April 2020) was announced in the Budget on 16 March 2016. This will further reduce the company's future tax charge and reduce the deferred tax balance at 31 March 2016 by £17,000.

Notes (forming part of the financial statements)

9 Tangible fixed assets

	Plant and machinery £'000	Assets under construction £'000	Total £'000
Cost			
At 1 April 2015	21,583	34	21,617
Additions	-	1,049	1,049
Disposals	(447)	-	(447)
Transfers	944	(944)	-
At 31 March 2016	22,080	139	22,219
Accumulated depreciation			
At 1 April 2015	15,797	-	15,797
Charge for the year	1,670	-	1,670
Disposals	(447)	-	(447)
At 31 March 2016	17,020	-	17,020
Net book value			
At 31 March 2016	5,060	139	5,199
At 31 March 2015	5,786	34	5,820

Notes (forming part of the financial statements)

10 Debtors

	2016	2015
	£'000	£'000
Trade debtors	184	244
Amounts owed by group undertakings	22,650	19,874
Amounts owed by related parties	864	864
Deferred tax assets	306	273
Prepayments and accrued income	1,532	1,731
	<u>25,536</u>	<u>22,986</u>
Due within one year	25,230	22,713
Due after more than one year	<u>306</u>	<u>273</u>

Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2016	2015	2016	2015	2016	2015
	£'000	£'000	£'000	£'000	£'000	£'000
Tangible fixed assets	306	-	-	(68)	306	(68)
Tax value of losses	-	341	-	-	-	341
	<u>306</u>	<u>341</u>	<u>-</u>	<u>(68)</u>	<u>306</u>	<u>273</u>

Notes (forming part of the financial statements)

Movement in deferred tax during the year

	1 April 2015	Recognised in income	Effect of rate change	31 March 2016
	£'000	£'000	£'000	£'000
Tangible fixed assets	(68)	408	(34)	306
Tax value of loss carry-forwards utilised	341	(341)	-	-
	<u>273</u>	<u>67</u>	<u>(34)</u>	<u>306</u>

Movement in deferred tax during the prior year

	1 April 2014	Recognised in income	Effect of rate change	31 March 2015
	£'000	£'000	£'000	£'000
Tangible fixed assets	(150)	82	-	(68)
Tax value of loss carry-forwards utilised	364	(23)	-	341
	<u>214</u>	<u>59</u>	<u>-</u>	<u>273</u>

11 Creditors: amounts falling due within one year

	2016	2015
	£'000	£'000
Trade creditors	46	-
Amounts owed to group undertakings	38,142	35,881
Taxation	12	-
Other creditors	42	214
Accruals	286	434
	<u>38,528</u>	<u>36,529</u>

Notes (forming part of the financial statements)

12 Capital and reserves

Share capital

	2016 Number	2015 Number	2016 £'000	2015 £'000
Allotted, called up and fully paid				
Ordinary shares of 1p each	4,002	4,002	-	-

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

13 Contingent liabilities

The Company is a member of a group VAT registration and as such has contingent liabilities for VAT in respect of other members of the VAT group.

14 Commitments

During the year the Company entered into various contracts relating to the development of assets to be used in the generation of electricity from land fill gas. The commitment outstanding at 31 March 2016 was £7,000 (2015: £59,000).

15 Financial Instruments

Capital management

The Infinis Energy Group has policies that seek to match long-term assets with long-term finance and to ensure that there is sufficient working capital to meet the Group's commitments as they fall due, comply with the loan covenants and continue to sustain trading. Management will continue to monitor actual cash flows against approved cash flow forecasts. Capital management for the Company falls under these policies.

Financial instruments

Financial instruments comprise trade and other debtors, cash and cash equivalents, loans and borrowings, trade and other creditors. Financial instruments give rise to credit, liquidity and interest rate risks. Information about these risks and how they are managed is set out below.

Notes (forming part of the financial statements)

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).

All financial instruments are classified as Level 3 and are measured at amortised cost.

	Carrying value 2016 £'000	Fair Value 2016 £'000	Carrying value 2015 £'000	Fair Value 2015 £'000
Cash and cash equivalents	45	45	617	617
Loans and receivables				
Trade debtors	184	184	244	244
Amounts receivable from group undertakings	22,650	22,650	19,874	19,874
Other debtors	864	864	864	864
Total financial assets	23,743	23,743	21,599	21,599
Trade and other creditors	386	386	648	648
Amounts owed to group undertakings	38,142	38,142	35,881	35,881
Total financial liabilities	38,528	38,528	36,529	36,529

Credit risk

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

None of the Company's trade receivables were overdue at 31 March 2016 or 31 March 2015.

Notes (forming part of the financial statements)

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Short-term liquidity is reviewed daily by the Infinis Energy Group Treasury function, while the longer-term liquidity position is reviewed on a regular basis by the Directors.

The Company's policy is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or damage to the Company's reputation.

Financial liabilities

Trade and other creditors are due for settlement within one year and do not accrue interest. Amounts due to group undertakings are payable on demand, and have a nominal interest rate of between nil and 11%.

16 Related parties

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

Terra Firma Investments (GP) 2 Limited, acting as the general partner of the six limited partnerships which constitute the Terra Firma Capital Partners II Fund, Terra Firma Capital Partners II L.P.-H and TFCP II Co Investment 1 L.P. (Terra Firma), has the ability to exercise a controlling influence through the holding of shares in Monterey Capital II S.à r.l.. Monterey Capital II S. à r.l. is, following the sanctioning of the Scheme of Arrangement on 17 December 2015, the immediate parent company of Infinis Energy Limited and its sole shareholder. The Directors therefore consider Terra Firma to be a related party.

There were no transactions between the Company and Terra Firma during the year (2015: £nil), there were no balances outstanding between the Company and Terra Firma at the end of the year (2015: £nil).

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

	Value of transactions		Balance owed (to)/from Company	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Aveley Methane Limited	-	-	167	167
Bidston Methane Limited	-	-	697	697
	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	864	864
	<hr/>	<hr/>	<hr/>	<hr/>

Notes (forming part of the financial statements)

17 Ultimate parent company and ultimate controlling entity

The Company is a member of the Infinis Energy Group.

Monterey Capital II S. à r.l., a company registered in Luxembourg, is the sole shareholder of Infinis Energy Limited. The ultimate controlling entity is TFCEP Capital Investments Limited, a company registered in Guernsey. The ultimate controlling party is Guy Hands.

Novera Energy Operating Services Limited is the immediate parent company and does not produce consolidated accounts.

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

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

18 Subsequent events

There were no subsequent events.

19 Accounting estimates and adjustments

Key assumptions and sources of estimation

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

Impairment

In assessing impairment, judgment is required to establish whether there have been indicators of impairment for all amortising and depreciating non-current assets.

Once the need for a review of the carrying value of an asset has been determined, valuation requires estimation techniques similar to those used for acquired assets and is therefore subject to similar estimates and judgments.

Revenue recognition

Revenue includes an estimate for the recycled price of ROCs sold during the financial period. This price is variable and is estimated based on a number of factors including UK electricity demand, targets set for renewable generation in the UK and the actual amount of UK renewable energy generation achieved.