Company Number 4733479

INFINIS HOLDINGS

Directors' Report and Financial Statements

Year Ended 31 March 2009

INFINIS HOLDINGS

Directors' report and financial statements for the year ended 31 March 2009

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Opening Statement

We present our report for Infinis Holdings (the "Company") and its subsidiaries ("Infinis" or "Infinis Group"). The Infinis Group, which was formed from the Waste to Energy Division of the Waste Recycling Group, has progressed well during the year ended 31 March 2009. It remains one of the largest renewable energy generators in the UK.

The operations of the Infinis Group are contained within Infinis Limited and its operating subsidiaries, so we have incorporated within our directors' report statements and a business review prepared by the Chairman, Chief Executive and Finance Director of Infinis Limited and its subsidiaries. The Infinis Capital Limited board of directors is responsible for corporate governance of the Infinis Group.

Renewable energy is a key component of the UK Government and European Union energy strategy. As a result, a number of positive policy directives are driving growth in the renewable energy industry. Infinis has established a good platform from which to benefit from this growth.

Cormac O'Haire
Director

Quentin Stewart
Director

INFINIS HOLDINGS

Infinis: Who we are

Infinis is one of the UK's largest generators of renewable energy. At present our main business activity is the use of landfill gas to generate electricity. We are leaders in the landfill gas to energy market, producing approximately 8% of the UK's renewable energy in the year to 31 March 2009 and employing 294 people across 80 operating sites. Over time we plan to generate electricity from other renewable sources and our initial diversification plan is for onshore wind. Infinis has a 29.6% holding in Novera Energy plc.

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Infinis at a glance

Financial highlights
Revenue up 10.3% (on a time apportioned basis) to £114.1 million
Gross profit up 17.8% (on a time apportioned basis) to £51.6 million

Operational highlights
Gigawatt hours exported to the grid from landfill gas generation up 2% (on a time apportioned basis) to 1,636 GWh

Development highlights
17.3 MW capacity installed or relocated during the year

Chairman's Statement

Creating a sustainable low carbon energy mix presents an ongoing challenge to industry and government. The renewables sector continues to play a significant role in meeting this challenge and here, Infinis has positioned itself to grow and increase its contribution to a brighter and greener future.

This year we have focused on improving the efficiency of our core activity, generating electricity from landfill gas and thereby reducing methane seepage from landfills and generating more green electricity to displace fossil fuel usage. We have also submitted plans for another onshore wind farm as we continue to build our wind portfolio. We have again been recognised as one of the leading environmentally conscious companies in the country.

In the year to 31 March 2009, Infinis generated 1,636 GWh of electricity, representing just over 8% of the UK's renewable electricity and approximately 0.5% of the UK's total electricity consumption. This power was produced from landfill gas where Infinis is one of the leaders in the field. During the year we focused on improving the efficiency of these operations and have invested in new operating systems and improvements to our central control centre. These investments have paid off with improved engine efficiency and increased ability to turn the landfill gas into electricity.

With the strong cashflow from our landfill gas generation business we have been able to invest in further developing our onshore wind business. Last year we reported that we had achieved conditional planning consent for up to 27 MW at Greengairs in Scotland and during this year we have submitted a further 48 MW wind farm into planning at Burnhead in Scotland. We have also been focusing on growing a strong pipeline of wind opportunities which will enable us to grow our presence in this market in the future.

During the year Infinis increased its holding in Novera Energy plc from 28.2% to 29.6%.

The heart of any business is its people and Infinis has continued to grow over the year with employees currently numbering 294. We have focused on strengthening our operations team and have invested in both recruitment and training. We believe that we have developed a unique culture at Infinis and are pleased to see that our voluntary staff turnover has decreased by over 40% during the year, to below 7%. We have included a separate section in this report entitled "Our People" to highlight the importance our people play in the success of Infinis.

Alan Lovell, Chief Executive, decided to leave the business, with effect from 31 July 2009, to pursue a portfolio of other interests outside Infinis. I would like to thank him for his contribution to the development of Infinis as a leading energy business and wish him good luck with his future plans.

Eric Machiels was appointed as his replacement with effect from 1 August 2009. Eric was previously our Development Director. I am also pleased to announce the appointment of Stewart Gibbins as a director of Infinis Limited in April 2009. Stewart has been our Operations Director since May 2006.

I would like to thank all our employees for the hard work and enthusiasm which has taken Infinis to where it is today. With continuing support from our shareholder Terra Firma, I look forward to what I am confident will be another successful year.

Outlook

With the commitment of the EU to a 20% target of all energy consumption to come from renewable sources by 2020, it is widely expected that renewable electricity generation will need to increase to more than 30% of total electricity generation in the UK. This presents a good opportunity for Infinis to grow and develop as one of the leading companies in its field.

Infinis has established itself as a sound, well financed business with a strong management team. It has built solid foundations from which to grow as a provider of green power and to contribute to a more sustainable energy mix in the future.

Philip Nolan
Chairman

INFINIS HOLDINGS

Operating Review

Over the past twelve months, Infinis has continued to deliver strong results in its core landfill gas business while stepping up its efforts to develop an attractive onshore wind development pipeline.

The Infinis landfill gas team increased the utilisation of its installed capacity through improved engine reliability and installed an extra 17.3 MW of capacity across greenfield and existing sites. We also took advantage of the strong power markets in 2008 to contract a significant share of our output at very attractive prices for the coming two years.

The Infinis wind team has identified further suitable sites to be submitted for consent since obtaining planning approval for its first 27 MW wind project at Greengairs in Scotland.

As an industry leader, we set ourselves challenging performance targets and take pride in delivering on them. At the heart of Infinis' current and future success lie the dedication and relentless efforts of our staff who often operate in very challenging circumstances. As a management team, we are committed to setting them up for success through ongoing training opportunities and adopting best-in-class health and safety standards.

Health and safety

The health and safety of our employees and all who may be affected by our activities is a top priority for us. We continuously review our approach to health and safety management, benchmarking our performance against waste management, power generation and other companies. We have made progress in improving our health and safety performance, reducing our RIDDOR accident frequency rate from 2.1 to 0.6 over the 24 month period to 31 March 2009 and are now outperforming the waste management and the utilities industry averages by a significant margin.

Our work in this area has been recognised by the Royal Society for the Prevention of Accidents with the awarding of a Gold Award, in only our second year of application, and by the British Safety Council with the awarding of the International Safety Shield. We remain committed to continual improvement in this essential area.

Landfill gas

The main operational Key Performance Indicators (KPIs) in our landfill gas operations are number of gigawatt hours (GWh) exported to the grid and direct operating costs per megawatt hour.

The number of GWh exported to the grid was 1,636 compared to the previous pro forma year of 1,606 GWh. This reflects our focus on increased efficiency of our engines as well as on increased utilisation of the landfill gas to produce electricity. During the year our unscheduled outage hours reduced by approximately half, thus ensuring more available engine hours and therefore increased electricity production. Key contributing factors to this achievement have been increased engine technician staffing levels to ensure rigorous periodic engine maintenance and ongoing expansion of our state-of-the-art central Logistics Centre from which we monitor and control our engine and environmental compliance performance across 80 generating sites on a 24 hour, seven days a week basis. Our engine overhaul team based in Heysham has also set new standards in turning around the overhauls carried out at 40,000 operating hours, by substantially reducing the time an engine is taken off-line.

During the year we developed two major sites (Welbeck and Rigby) which will add an additional 10 MW of capacity. A number of other projects were also completed during the year where gas availability was matched to engine capacity, increasing the utilisation of our installed engine capacity. In total we installed or relocated engines with a total capacity of 17.3 MW. The majority of our developments in the year were delivered ahead of schedule and within the expected cost.

Direct operating cost per megawatt hour was £17.57 in the year compared to £16.93 in the previous period. This increase is in line with inflation in the period and reflects the focus on cost control within the business.

Our main KPI on the commercial side of the landfill gas business is average selling price per megawatt hour. Average selling price per megawatt hour was £66.85 in the year, compared to £63.06 in the previous pro forma year. This was largely due to increases in market power prices. Infinis took advantage of increasing power prices at the start of the year to lock in prices for 2010 and 2011, thereby protecting future profits.

Approximately 54% of our output in the period was sold under long term contracts under the Government's Non Fossil Fuel Obligation (NFFO) programme. These contracts vary between ten and 15 years in duration and are protected from inflation through index-linking. The price achieved on these contracts is generally lower than that available on the traded market.

The remainder of our power was sold on shorter-term trades to licensed off-takers. Currently we have sold forward 74% of this part of our output until October 2010 and 55% until October 2011. We were able to contract much of our power at the high prices we saw in the market last year. Our policy of relatively short-term contracting continues to enable us to benefit from any short-term increases in the power markets.

We consider that the main risks to our operations relate to asset performance, in particular engine reliability, the weather and health, safety and environmental standards. We monitor our operations on a 24 hour, seven days a week basis from our Logistics Centre and this enables us to monitor and manage our operational risks. We have experienced and dedicated resources to assess and manage our environmental and health and safety risks and we believe we are one of the leaders in our industry in these important areas. We monitor and predict both weather and atmospheric conditions and as a result are able to manage our engine fleet and gas fields accordingly. Our operational counterparties are the waste companies with whom we work, most notably WRG, Veolia, Cory, Biffa and Viridor.

Infinis is the largest landfill gas operator in the UK and is responsible for approximately a third of all electricity produced from landfill gas. We intend to continue to maintain this strong position both through re-investment into the current business and also by playing a key role in any industry consolidation.

Wind

We are looking to grow a significant portfolio of onshore wind assets. In May 2008, North Lanarkshire Council granted conditional planning permission for 27 MW at our first wind development site at Greengairs subject to satisfactory resolution of radar coverage.

In addition, during the year we submitted into planning a further 48 MW wind farm site at Burnhead in Scotland. Infinis' wind team is on track to submit over 100 MW of planning approval requests by the end of 2009 and is assessing the potential across a growing portfolio of other greenfield and development sites.

Eric Machiels
Chief Executive

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Financial Review

In the prior period the Infinis Group changed its accounting reference date from 31 December to 31 March. The Group's results from the prior period cover 1 January 2007 to 31 March 2008, a 15-month period. On a pro forma basis the summary results for the group are as follows:

	Year ended 31 March 2009 £m	12 months pro forma period to 31 March 2008 £m
Revenue	114.1	103.4
Gross profit	51.6	43.8
Operating profit/(loss)	8.5	(8.6)
Impairment of Investment in associate	(22.9)	-
Interest	(7.8)	(3.7)
Loss before tax	(22.3)	(12.3)
Share of loss in associate	(1.0)	-
Taxation credit	9.4	7.5
Loss after tax	(13.9)	(4.7)
EBITDA from continuing operations [2]	51.6	30.7
Tangible and intangible assets and investments [1]	517.2	548.0
Cash balance	56.3	26.9
Borrowings	(143.9)	(147.2)
Net assets	380.5	797.5

[1] These items are non GAAP measures
The tangible and intangible asset and investments value includes the investment in Novera of £13.9 million (2008: £31.8 million).
[2] EBITDA from continuing operations has been calculated using operating profit and adding back depreciation, amortisation and impairment.

Revenue was £114.1 million for the year (£103.4 million for the pro forma 12 months to 31 March 2008). This represents an increase of 10.3%. This increase is primarily due to increased average selling prices.

Gross profit for the period was £51.6m (2008 pro forma: £43.8 million), which is an increase of 17.8% .This increase reflects the increase in revenue netted against an increase in direct costs per megawatt hour of £0.64. This increase in direct cost per megawatt hour is largely due to inflation.

EBITDA (earnings before interest, tax, depreciation and amortisation) was £51.6 million in the year (2008 pro forma: £30.7 million). This represents an increase of 68%. This is primarily due to charges made in Infinis Capital Limited in relation to a long-term incentive plan during the period ended 31 March 2008.

During the year Infinis changed the method by which it accounted for its investment in Novera Energy plc. In the prior period it was held as an available-for-sale investment, whereas in the current year it has been accounted for as an equity investment. The board now considers that it holds significant influence over the investment.

Tangible and intangible assets were £517.2 million as at 31 March 2009 (£548.0 million as at 31 March 2008). The decrease is largely due to the impairment recognised in the year of the Company's investment in Novera Energy plc. The impairment charge for the year is £22.9 million.

Net assets decreased to £380.5m (£797.5m as at 31 March 2008) as a result of the repayment of an inter-company loan to Monterey Capital II SARL with the proceeds of a dividend from Infinis Holdings.

Interest was £7.8 million in the year (£3.7 million in the 12 months proforma period to 31 March 2008) primarily as a result of the fall in interest receivable on cash due to the drop in LIBOR through the year. Borrowings were £143.9 million at 31 March 2009 (£147.2 million at 31 March 2008). The drop in borrowings reflects the repayment of a loan originally drawn in March 2008.

Cash position and finance facilities

Infinis focuses on operating cash flow and on managing its cash position in order to maximise value over the long term for its shareholders. Cash flow from operations is principally reinvested into the business to further develop our capabilities and capacity.

As at 31 March 2009, bank loans were £126.7 million and cash on hand was £56.3 million including £1.6 million in restricted cash. The Group continues to operate well within the financial covenants of its bank loans.

Interest coverage ratio (EBITDA divided by external interest for the period) stood at 10.6 times (7.6 times in the 12 month proforma period to 31 March 2008).

It is the policy of the group to pay its creditors within 30 days of the end of the month in which the invoice was issued. At the period end there were 45 days' purchases in trade payables (as at 31 March 2008: 31 days).

Risk management

The Group's activities expose it to a variety of financial risks such as market prices, economic outlook, credit and interest risks. The Group actively manages its risks and has prepared a risk policy and register to record all the principal risks facing the Group and how to mitigate them. This policy and register is reviewed on at least an annual basis or sooner if a risk profile significantly changes. We do not consider leverage to be a significant risk to the Group.

Dividend

The directors of the Company (the "directors") approved the payment of a dividend of £417,314,000 on 11 September 2008 (15 month period to 31 March 2008: £Nil). The dividend was paid to Monterey Capital II SARL and this company repaid an inter-company loan of £417,314,000.

Jane Aikman
Finance Director

Corporate Responsibility

Corporate responsibility is at the heart of our business and we have reported on it since our formation, demonstrating our commitment to acting responsibly. Our third corporate responsibility report covering the year to 31 March 2009 gives further details of the areas summarised below.

Health and safety

The health and safety of all who may be affected by our activities is a top priority for us. We continuously review our approach to health and safety management, benchmarking our performance against waste management, power generation and other companies. As most of our employees currently work on landfill sites, attitudes towards health and safety have historically reflected those of the waste management industry. We have made progress in improving our health and safety performance, reducing our RIDDOR accident frequency rate from 2.1 to 0.6 over the 24 month period to 31 March 2009 and are now outperforming the waste management and the utilities industry averages:

(RIDDOR* reportable incidents/hours worked 12 months to 31 March 2009)	x 100,000
Infinis	0.6
Waste management industry average	1.4
Utilities industry average	0.8

*RIDDOR = Reporting of Injuries, Diseases and Dangerous Occurrence Regulations

Our work in this area has been recognised by the Royal Society for the Prevention of Accidents and the British Safety Council. We remain committed to continual improvement in this essential area.

Environment

In aiming for operational excellence, we measure our performance against recognised external standards where these exits. Our environmental management system covers all areas of the business and is independently certified as compliant with ISO 14001, the international environmental standard.

In addition, we benchmarked our environmental performance against that of other companies through the Sunday Times "Best Green Companies" awards. We achieved the national position of fifth, a significant achievement for a young business. These awards do not assess the inherent green nature of a business but rather they recognise the additional steps that have been taken. Benchmarking against external organisations has been a valuable exercise in helping us identify, and focus on, areas for improvement.

Climate impact

Climate change is one of the greatest long-term challenges facing humanity today. We can minimise the scale of the change, by reducing as far as practicable the emission of greenhouse gases from human activities. At Infinis, this is what we do. We produce electricity from waste, in the process reducing the quantities of greenhouse gases potentially emitted.

For the 12-month period to 31 March 2009, we have estimated our operations as being carbon positive by over 9.3 million tonnes of carbon dioxide equivalent (CO_2e). This describes our net climate impact calculated by setting our operational CO_2e emissions against the avoided emissions through the management of the methane component of landfill gas and the displaced emissions from grid electricity.

This figure is based on the following:

- Methane is a damaging greenhouse gas with 21 times the global warming potential of carbon dioxide (CO_2). As a by-product of energy generation and through flaring excess gas, we convert methane into less harmful carbon dioxide.
- In running our operations, we release CO_2. The most significant source of emissions for us is associated with the electricity we purchase to power our plant.

Waste reduction and disposal

In comparison to climate change, waste is a relatively minor environmental issue for Infinis. Our main waste type is used lubricating oil from our generating plants. This oil is sold to a third party and until recently was used as a fuel but is now processed for reuse as a lower grade lubricating oil (an even better environmental option). To reduce this to a minimum we use high quality oil.

Social and community involvement

Key messages regarding employee welfare and development and our community involvement programmes and respect can be found in the Our People section of this report.

Further information

Additional information can be found in our 2009 corporate responsibility report. Both this report and the associated policy documents are available on our website.

Our People

The business has continued to grow over the past year, resulting in a continuing focus on bringing talented people into the organisation. In addition, the implementation of good employment practices has seen a reduction of more than 40% during the same period in the number of employees leaving the Company. This means that Infinis now has a strong team available to support organisational goals.

Training and development

At Infinis we aspire to create a learning and development culture which is focused on ensuring that employees fulfil their potential. During the period under review, training and development has become a major priority with the level of training provision almost doubling year-on-year to over 7,000 training hours – every employee, amongst our workforce of 294 on average, now benefits from more than three days of training per annum.

In addition to the ongoing focus on safety training, there has been a strong emphasis on enhancing the technical skills of the mechanical/electrical field services teams in order to ensure that there is a consistently high standard of engine maintenance practice on our sites. The Infinis Centre of Excellence at Heysham, Lancashire is also a key part of ensuring that technicians learn the processes involved in the operation and maintenance of our engine fleet.

We have also invested substantially in our prospective and existing managers, with the launch of a structured Senior Management Development Programme in 2008. This takes individuals approximately six months to complete, and the Company expects to see a return on its investment through improvement in the quality of management in the business.

Reward

Our approach to remuneration is based on providing competitive salaries together with bonus and incentive schemes that reward individuals and teams for high performance. We regularly benchmark pay packages against external data. Our benefits offering is comprehensive and most notably includes the 'Smallsteps' green benefits package. This package is unique in the sector and provides an education and financial incentive programme, funded by Infinis, that encourages employees to make small changes in their day-to-day lives in order to reduce their personal carbon footprint.

Communication

We are proud of the open culture that is encouraged within Infinis, and seek to ensure that there are processes in place to enable staff to give feedback to the management team. During the period Infinis conducted its first 'Airtime' employee survey in which the whole workforce was canvassed for their views on what it is like to work for the Company. The outcome was positive with very high levels of employee engagement being reported, and Infinis topping the poll (amongst the 53 companies in the benchmark group) for taking health and safety seriously.

The Company, in turn, strives to keep its employees well-informed of business developments through an internal communication programme. This is achieved through a variety of communication methods, including monthly video team briefings, that are distributed to all employees. The high profile communication events of the year are the Infinis annual conferences, attended by all employees. In 2008, these were held at Newbury, Berkshire and Keele, Staffordshire and saw internal and external speakers updating delegates on Company and sector developments.

Community involvement

We are committed to building strong relationships and being seen as a 'good neighbour' by the communities in which we operate. Accordingly, we encourage employees to support charitable activities in the local communities where they live and work. We believe that, by making this positive contribution, local neighbourhoods also gain a better understanding of Infinis and its activities.

The Infinis 'Charity Challenge' was launched in 2008 with these objectives in mind and has seen the Company donate money into a fund in order to support charities and good causes nominated by employees. This approach has also brought the additional benefit of combining the quest for health and safety excellence with support for charities and good causes, as the Company increases the value of the fund for every workplace near-miss, incident and accident that is reported. Over the 12 month reporting period, 12 charities and good causes have benefited from donations from the Charity Challenge fund, and near-miss reporting has increased by 40% year-on-year in the same period, which is a key way to further improve health and safety.

Infinis involvement in communities has culminated in the 'Infinis Energy Challenge'. This was launched as part of National Science week in March 2009, and saw 17 schools in the Northamptonshire area working closely with Infinis volunteers to develop creative ways to save energy, and in the process potentially win a £500 prize donated by the Infinis charity fund.

INFINIS HOLDINGS

Board of Directors

	Infinis Holdings	**Infinis Capital Limited**				**Infinis Limited**
Name	**Board**	**Board**	**Audit Committee**	**Finance Committee**	**Nomination and Remuneration Committee**	**Board**
Philip Nolan		✓		✓		✓
Elizabeth Jane Aikman		✓				✓
Lord Birt		✓		✓		
Michael Damian Darragh* (MDD)		✓	✓	✓	✓	
Gordon Edge		✓	✓		✓	
Stewart Gibbins						✓
Steven Hardman						✓
Mike Kinski* (MK)		✓		✓	✓	
Eric Machiels* (EM)		✓				✓
Cormac O'Haire* (COH)	✓					
Quentin Stewart* (QS)	✓	✓	✓	✓		
Nils Steinmeyer*	Alternate to COH, QS	Alternate To MDD, MK, EM, QS				

*Employed by Terra Firma Capital Partners Limited.

Philip Nolan
Phil became Non-Executive Chairman of Infinis Limited and Infinis Capital Limited in January and February 2007, respectively. In Phil's early career he was Managing Director of Interconnector UK Ltd, a company formed to build the gas pipeline linking the UK to mainland Europe and a board member of BG Group, where he led the demerger of Transco becoming Chief Executive of the Lattice Group in 2000. He joined Eircom, the Irish national telecoms operator, as Chief Executive after its acquisition by a private equity consortium, leading it back to the public market in 2004 and stepping down after its sale in 2006. Phil is also a non-executive director of De La Rue plc, Ulster Bank Group and Providence Resources and Chairman of the Irish Management Institute and Sepura plc, a listed telecommunications company. In addition he is a member of the board of the Ireland Fund.

Eric Machiels
Eric has been a Business Director of Terra Firma Capital Partners Limited (TFCP) and has been involved with Infinis since September 2007. He became Chief Executive, and joined the board of Infinis Limited in August 2009, having previously been Infinis Limited's Development Director. Eric became a board member of Infinis Capital Limited in October 2007. Prior to joining Terra Firma, Eric held executive positions within two portfolio companies of Clayton, Dubilier & Rice, a US private equity firm and most recently as MD of Sirva Inc.'s Continental European activities from 2004 to 2007. He worked as an Investment Director at UBS Capital from 1999 to 2002.

Elizabeth Jane Aikman
Jane has been Finance Director of Infinis Limited since July 2007 and joined the board of Infinis Capital Limited in October 2007. Previously, Jane was Group Finance Director at Wilson Bowden plc, where she was part of the team which was instrumental in the sale of that group to Barratt Developments plc. Jane's earlier career included finance positions with Asia Pulp and Paper Co Ltd (ultimately as Director of Corporate Finance and Investor Relations), Divisional Finance Director at Amey plc and then Finance Director at Pressac plc. Jane is a non-executive director of Halma plc.

Lord Birt
Lord Birt was appointed as an independent Non-Executive Director of Infinis Capital Limited in June 2006. He was previously the Prime Minister's Strategy Adviser from 2000 to 2005, and before that Director-General of the BBC. Lord Birt has been an advisor to McKinsey. Currently, he is also Chairman of the Supervisory Board of EMI Group, a non-executive director of Eutelsat and PayPal (Europe), and an adviser to Capgemini.

Michael Damian Darragh
Damian is a Director at TFCP. He has been involved with Infinis since early 2006, when he led the process to demerge the business from Waste Recycling Group Limited (WRG) and establish Infinis as a standalone renewable energy company. He also managed the sale of WRG to FCC in July 2006. He managed the acquisition Infinis (Re-Gen) Limited (previously Summerleaze Re-Generation Limited) in early 2007. He was appointed a director of Infinis Capital Limited in October 2007.

Prior to joining the Terra Firma group in 1998, Damian worked for the Treasury and Risk Management department of Nomura International. He was heavily involved in the group's investment activity in the pub businesses and played a leading role in the acquisition of the Voyager Pub Company in 2001.

Professor Gordon Edge CBE
Gordon has been an independent Non-Executive Director of Infinis Capital Limited since June 2006. He is a long term serial scientific entrepreneur and in 1986 founded The Generics Group, a leading laboratory based international technology and business consulting and investment company (now the Sagentia Group). He is the founder of a large number of science based companies around the world and credited with a major contribution to the Cambridge Phenomenon. Gordon sits on the boards of a number of public and private companies as well as having involvement in defence, university and charitable advisory groups.

Board of Directors *(continued)*

Stewart Gibbins
Stewart joined WRG in May 2005 as Operations Director of the Waste to Energy division. He has been Operations Director of Infinis Limited since May 2006 and joined Infinis Limited's board of directors in April 2009. Stewart has extensive senior management experience in engineering, project management and operations with Marconi, British Coal, Babcock Group and Rolls-Royce. During his time with Rolls-Royce Stewart managed a fleet of 50MW gas fired power stations within the UK, Europe and North America and has over 12 years' experience in the power generation sector.

Steven Hardman
Steven joined Infinis Limited in May 2008 as Commercial Director, leading its commercial and legal activities. He expanded his role in April 2009 when he assumed responsibility for Infinis's wind development function. Steven was previously Group Legal Director for WRG where he was responsible for the entirety of the group's legal affairs. A qualified solicitor, Steven's early career was as a corporate lawyer in the City of London prior to a period with Hanson plc.

Mike Kinski
Mike is an Operational Managing Director at TFCP and joined the board of Infinis Capital Limited in October 2007. He has been involved in a number of Terra Firma's investments since 2000 including Hyder Plc, some of the pub companies, WRG, Shanks, East Surrey Holdings, ODEON and UCI Cinemas and the Consolidated Pastoral Company, the recently acquired cattle business in Australia. He was appointed Chairman of ODEON and UCI Holdings Limited in January 2007 and was the acting Chief Executive of The Voyager Pub Company for a period up to its sale in 2002. Prior to joining Terra Firma in 2000, Mike was Group Chief Executive Officer of Stagecoach Holdings Plc, and Chief Executive Officer of Power Distribution and Water Operations for Scottish Power Plc. He was also a Government appointed non-executive director of the UK Post Office from 1998 to 2002.

Cormac O'Haire
Cormac is Finance Director of TFCP. Prior to joining the Terra Firma group in 2002, Cormac was CFO and member of Dresdner Kleinwort Capital Executive Committee. Cormac is a Fellow of the Institute of Chartered Accountants in Ireland and studied accounting at the College of Industrial Relations. Cormac has been on the board of Infinis Holdings since April 2003.

Quentin Stewart
Quentin is a Financial Managing Director at TFCP and has specific expertise in the agricultural, waste management, energy and utility sectors. Prior to joining Terra Firma in 1997, Quentin worked for Arthur Andersen. A Chartered Accountant, Quentin holds a degree in Business from De Montfort University. Quentin has been on the board of Infinis Holdings since April 2003 and became a director of Infinis Capital Limited in June 2006.

The Infinis Group's corporate governance structure is set by the board of directors of Infinis Capital Limited. The Infinis Group is committed to the highest standards of corporate governance.

The board of directors (the "Capital Board") of Infinis Capital Limited believes that effective corporate governance is a fundamental aspect of a well run business and is committed to achieving the highest standards of corporate governance, corporate responsibility and risk management in directing and controlling the business.

The following paragraphs describe the key governance structures and internal controls operating within the Infinis Group. Through these mechanisms, the Infinis Group aims to apply the highest standards of corporate governance and to conform with the spirit of the 'Combined Code' wherever practical.

Board constitution and procedures

The Capital Board comprises eight members: a non-executive Chairman (Philip Nolan), two executive directors and five non-executive directors. Biographies of Capital Board members are shown on pages 17 to 18.

The Capital Board has a programme which enables it to review critical business issues in a timely and disciplined manner at scheduled Capital Board meetings and enables it to discharge its responsibility to provide leadership to the Infinis Group within a framework of prudent and effective controls and to assess and manage risk.

The Capital Board meets regularly, generally on a monthly basis. In the 12 month period to 31 March 2009 thirteen scheduled meetings were held plus a number of specific meetings to deal with particular issues.

The Chairman is responsible for the effective running of the Capital Board and for communications with all directors and shareholders of Infinis Capital Limited. An agenda is established for all scheduled Capital Board meetings. The Chairman ensures that all members of the Capital Board receive sufficient information on agenda items, including financial, business and corporate issues and signed minutes of Capital Board committees, in advance of each Capital Board meeting, whether they are able to attend or not. This enables the Capital Board members to be regularly appraised on financial, operational and health and safety performance and make informed decisions on issues under consideration. Regular updates on risk management, health and safety, and other key company policies are given to the Capital Board.

The principles for the corporate governance of the Infinis Group were adopted by the Capital Board on 30 October 2007 followed by a revised formal schedule of delegated authorities on 2 April 2008. These principles determine the internal policies by which the Infinis Group should operate, without restricting the legal independence of any Infinis Group company and whilst ensuring that key policy and strategic decisions relating to the Infinis Group are made by the Capital Board. The matters which must be brought to the Capital Board for approval include, but are not limited to: the final approval of the annual accounts and the Infinis Group budget, major acquisitions and disposals, and any changes to the Infinis Group's capital structure, financing arrangements and financial policies.

The executive directors are responsible for day-to-day business operations and the development of strategic plans for consideration by the Capital Board as a whole.

Where urgent decisions are required on matters specifically reserved for the Capital Board in between meetings, there is a process in place to enable discussion and decision-making. Directors also have access to the advice and services of the Company Secretary and external advisers, as appropriate.

Board committees

The Capital Board has established three committees, each with clearly defined terms of reference, procedures, responsibilities and powers.

Finance Committee
The finance committee is chaired by Philip Nolan and consists of four non-executive directors. In addition, the Chief Executive and the Finance Director of Infinis Limited are normally invited to attend meetings.

This committee is responsible for making recommendations to the Capital Board on financial and investment policy, including the capital structure of the Infinis Group, management of financial risks and the acquisition and divestiture of material corporate premises.

Further, the committee is also responsible for making recommendations to the Capital Board based on proposals by the Chief Executive or the Finance Director of Infinis Limited (beyond authority levels delegated to the committee) regarding the creation, acquisition or disposal of subsidiaries, approval of investments or divestments within the Infinis Group, raising of external financing and the granting of securities, guarantees and indemnities as set out the delegated authorities.

In certain specific circumstances the Capital Board has delegated authority to the committee to make decisions in these areas.

Audit Committee
The audit committee is chaired by Quentin Stewart and consists of two non-executive directors. The Chief Executive and Finance Director of Infinis Limited and external auditors are normally invited to attend meetings. The committee meets at least twice during the financial year at appropriate times in the reporting audit cycle.

The committee oversees the relationship with the external auditors. It reviews their audit plan and discusses audit findings with them. In addition, the committee reviews the effectiveness of the Infinis Group's internal controls and risk management systems and reports to the Capital Board on its findings. It also ensures that there is proportionate and independent investigation of any matter brought to its attention.

The committee is required to assist the Capital Board to fulfil its responsibilities relating to external financial reporting and associated announcements.

Audit Committee *(continued)*

During the year the committee reviewed either as a committee or as part of the Capital Board:

- The annual financial statements, including the requirements for financial reporting
- Changes proposed to the Infinis Group's accounting policies and practices
- Significant accounting issues
- The Infinis Group's risk management process.

The committee recommends the appointment and reappointment of the Infinis Group's external auditors and annually reviews a formal letter provided by the external auditors confirming their independence and objectivity within the context of applicable regulatory requirements and professional standards. The committee also reviews the terms, areas of responsibility and scope of the audit (including schedules of unadjusted errors and representation letters) as set out in the external auditors' engagement letter; the overall work plan for the forthcoming year, together with the cost-effectiveness of the audit as well as the auditors' remuneration and performance; any major issues which arose during the course of the audit and their resolution; key accounting and audit judgements; the level of errors identified during the audit; and the recommendations made to management by the auditors and the management's response.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee is chaired by Mike Kinski and consists of two non-executive directors. The committee meets at least once a year and at such other times as the Capital Board requires.

The committee's specific duties and responsibilities include:

- Establishing criteria to be used in selecting directors
- Approving the remuneration of the executive directors and management and providing an objective and independent assessment of any benefits granted to directors and management
- Elaboration of incentive and remuneration plans to be applied within the Infinis Group
- Advising the Capital Board on, and monitoring, a suitable performance-related formula for the Infinis Group overall
- Ensuring that the pension arrangements throughout the Infinis Group are appropriate, well supervised and conform to applicable law.

Risk management and internal controls

The Capital Board has overall responsibility for the Infinis Group's system of risk management and internal control, which are designed to manage the risk of failure to achieve the Infinis Group's objectives where such a risk cannot be eliminated. The Capital Board verifies that the internal control systems within the Infinis Group are appropriate and adequately enforced and (if deemed appropriate by the Capital Board) carries out an annual assessment of the effectiveness of internal controls for the period to the date of the annual report and financial statements. Following the audit committee's report, the Capital Board has considered the Infinis Group's internal control systems for the accounting period under review and is satisfied that they are appropriate and effective. There is a programme for regular review and development which is monitored by the audit committee.

Directors' Report

The directors present their directors' report and financial statements of the Infinis Group for the year ended 31 March 2009.

Principal activities

The principal activity of the Infinis Group is the generation of electricity from landfill gas.

The principal activity of the Company is that of a holding company.

Business review

The operating review and the financial review provide a comprehensive analysis of the development and performance of the Infinis Group's business during the year ended 31 March 2009.

Financial performance: The results for the year are set out in the consolidated income statement on page 27. These are summarised below:

Revenue: Net revenue from electricity sales and royalty income, for the year ended 31 March 2009 was £114.1m (15 month period ended 31 March 2008: £129.2m).

Operating profit: Operating profit for the year was £8.5m (15 month period ended 31 March 2008: loss of £10.8m).

Interest: Net interest charges of £7.8m (15 month period ended 31 March 2008: £4.6m) have been incurred during the year arising from a loan from a fellow subsidiary and an external loan.

Loss before tax: The loss before tax for the year was £23.3m (15 month period ended 31 March 2008: £15.4m).

Taxation: Tax credit for the year was £9.4m (15 month period ended 31 March 2008: £9.6m).

Principal risks and uncertainties: The principal risks and uncertainties affecting the Infinis Group are considered in detail in the operating review.

Key Performance Indicators (KPIs): The KPIs relating to the Infinis Group are considered in detail in the operating review.

Environmental, social and community issues:

Information on environmental, social and community issues can be found in the corporate responsibility and our people sections of this report.

Prospects for 2010:
With the commitment of the EU to a 20% target of all energy consumption to come from renewable sources by 2020, it is widely expected that renewable electricity generation will need to increase to more than 30% of total electricity generation in the UK. This presents a good opportunity for Infinis to grow and develop as one of the leading companies in its field.

We believe Infinis has now established itself as a strong business with a good team of people to give it a solid platform to enable it to maximise growth opportunities in the coming years and continue to contribute to a greener tomorrow.

Dividend

The directors approved the payment of a dividend of £417,314,000 on 11 September 2008 (15 month period ended 31 March 2008: £nil).

Policy and practice on payment of creditors

The Infinis Group's policy and practice on payment of creditors is detailed in the financial review.

Employees

The Infinis Group's policy on equal opportunities and employee involvement can be found in the our people section of this report.

Charitable and political donations

The Group made no political donations or incurred any political expenditure during either financial period. The Group made charitable donations of £5,949 during the year (15 month period ended 31 March 2008: £nil).

Private equity fund(s) owning the Company/Group

The Company is ultimately owned by Terra Firma Investments (GP) 2 Limited as the general partner of certain funds managed by it.

Terra Firma Capital Partners Limited acts as adviser to Terra Firma Investments (GP) 2 Limited in such capacity.

Directors

The directors who served during the year ended 31 March 2009 and since the year end are as follows:

C P T O'Haire

Q R Stewart

Nils Steinmeyer (Alternate to CPT O'Haire and QR Stewart)
(Appointed 9 May 2008)

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 to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

KPMG LLP has indicated its willingness to continue in office and is expected to be deemed to be reappointed as auditors of the Company at the end of the next period for appointing auditors in accordance with Section 487 of the Companies Act 2006.

By order of the Board

C P T O'Haire
Director
2 September 2009

Statement of Directors' responsibilities in respect of the Directors' report and the financial statements

The directors are responsible for preparing the directors' report and the Group and parent Company financial statements, in accordance with applicable law and regulations.

Company law requires the directors to prepare Group and parent Company financial statements for each financial year. Under that law the directors are required to prepare the Group financial statements in accordance with IFRS as adopted by the EU and have elected to prepare the parent Company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

The Group financial statements are required by law and IFRS as adopted by the EU to present fairly the financial position and the performance of the Group; the Companies Act 1985 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

The parent Company financial statements are required by law to give a true and fair view of the state of affairs of the parent Company.

In preparing each of the Group and parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- for the Group financial statements, state whether they have been prepared in accordance with IFRS as adopted by the EU;
- for the parent company financial statements, state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the parent company financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the parent company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the parent Company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

KPMG LLP
8 Salisbury Square
London
EC4Y 8BB
United Kingdom

Independent auditors' report to the members of Infinis Holdings

We have audited the group and parent company financial statements (the ''financial statements'') of Infinis Holdings for the year ended 31 March 2009 which comprise the Consolidated Income Statement, the Consolidated and Company Balance Sheets, the Consolidated Cash Flow Statement, the Consolidated Statement of Other Recognised Income and Expense, the Company Reconciliation of Movements in Shareholders' Funds and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors

The directors' responsibilities for preparing the Directors' Report and the group financial statements in accordance with applicable law and International Financial Reporting Standards (IFRS) as adopted by the EU, and for preparing the parent company financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 24.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and whether the financial statements have been properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Independent auditors' report to the members of Infinis Holdings *(continued)*

Opinion

In our opinion:

- the group financial statements give a true and fair view, in accordance with IFRS as adopted by the EU, of the state of the group's affairs as at the year ended 31 March 2009 and of its loss for the year then ended;
- the parent company financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the parent company's affairs as at 31 March 2009;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

KPMG LLP

KPMG LLP
Chartered Accountants
Registered Auditor

2 September 2009

INFINIS HOLDINGS

Consolidated income statement for the year ended 31 March 2009

	Note	Year ended 31 March 2009 £'000	15 months ended 31 March 2008 £'000
Continuing Operations			
Revenue		114,082	129,178
Cost of sales		(62,439)	(74,420)
Gross profit		51,643	54,758
Administrative expenses		(43,171)	(65,589)
Operating profit before amortisation and impairment		25,078	8,018
Negative goodwill		-	2,718
Amortisation and impairment of intangible assets		(16,606)	(21,567)
Operating profit/(loss)	*3*	8,472	(10,831)
Impairment loss in investment in associate	*7*	(22,972)	-
Finance costs	*3*	(8,578)	(7,312)
Finance income	*3*	789	2,663
Net financing costs		(7,789)	(4,649)
Loss before tax and and share of loss in associate		**(22,289)**	**(15,480)**
Share of loss in associate	*7*	(1,044)	-
Loss before tax		**(23,333)**	**(15,480)**
Taxation credit	*4*	9,406	9,578
Loss from continuing operations		(13,927)	(5,902)
Loss for the year/period		**(13,927)**	**(5,902)**

INFINIS HOLDINGS

Consolidated statement of other recognised income and expense for the year ended 31 March 2009

	Note	Year ended 31 March 2009 £'000	15 months ended 31 March 2008 £'000
Effective cash flow hedges	*12*	(1,295)	(574)
Net loss recognised directly in equity		(1,295)	(574)
Loss for the year/period	*12*	(13,927)	(5,902)
Total recognised income and expense for the year/period		**(15,222)**	**(6,476)**

INFINIS HOLDINGS

Consolidated balance sheet at 31 March 2009

	Note	31 March 2009 £'000	31 March 2009 £'000	31 March 2008 £'000	31 March 2008 £'000
ASSETS					
Non-current assets					
Property, plant and equipment	5		145,612		145,779
Goodwill	6		146,900		148,116
Other intangible assets	6		210,737		222,285
Investments	7		13,944		31,822
			517,193		**548,002**
Current assets					
Inventories	9	1,256		2,010	
Trade and other receivables	10	40,957		50,615	
Cash and cash equivalents	11	56,263		26,886	
Amounts due from related parties	8	4		417,315	
			98,480		496,826
TOTAL ASSETS			**615,673**		**1,044,828**
Non-current liabilities					
Interest-bearing loans and borrowings	13		143,812		122,798
Deferred tax	4		56,238		66,565
Provisions	14		4,220		6,394
			204,270		195,757
Current liabilities					
Interest-bearing loans and borrowings	13	143		24,354	
Trade and other payables	15	30,565		27,081	
Provisions	14	181		181	
			30,889		51,616
TOTAL LIABILITIES			**235,159**		**247,373**
NET ASSETS			**380,514**		**797,455**

Consolidated balance sheet at 31 March 2009 *(continued)*

		31 March 2009		31 March 2008	
	Note	£'000	£'000	£'000	£'000
Equity (attributable to equity holders of the parent)					
Issued share capital	12	15,760		43	
Cashflow hedging reserve	12	(1,869)		(574)	
Retained earnings	12	366,623		797,986	
TOTAL EQUITY			**380,514**		**797,455**

The financial statements were approved by the Board of Directors on 2 September 2009 and were signed on its behalf by:

C P T O'Haire
Director

INFINIS HOLDINGS

Consolidated cash flow statement for the year ended 31 March 2009

	Year ended 31 March 2008		15 month period ended 31 March 2008	
	£'000	£'000	£'000	£'000
Cash flows from operating activities				
(Loss) for the period		(13,927)		(5,902)
Adjustments for				
Depreciation and impairment of fixed assets		26,494		27,659
Amortisation and impairment of landfill gas reserve		16,606		21,572
Loan amortisation		185		-
Share of loss in associate		1,044		-
Impairment of investment in associate		22,972		-
Taxation credit		(9,406)		(9,578)
Loss/(profit) on disposal of fixed asset		507		(36)
Interest income		(789)		(2,663)
Interest expense		8,578		7,312
Share based payments		(121)		14,219
Negative goodwill		-		(2,718)
Operating cashflow before changes in working capital and provisions		52,143		49,865
Increase in provision for doubtful debts	(263)		-	
(Increase)/decrease in trade and other receivables	2,077		(7,983)	
Decrease in inventories	754		253	
Increase/(Decrease) in trade and other payables	836		(17,682)	
Decrease in provisions	(758)		(984)	
Interest paid	(6,136)		(7,312)	
Tax received/(paid)	65		(4,657)	
Cash generated from operations		(3,425)		(38,365)
Net cash flows from operating activities		48,718		11,500
Cash flows from investing activities				
Acquisition of business	-		(91,397)	
Investment in associate	(6,138)		(31,822)	
Interest received	789		2,663	
Purchase of property, plant and equipment	(23,907)		(25,918)	
Disposal proceeds on sale of fixed asset	9		310	
Deferred consideration	(181)		(181)	
Net cash flows from investing activities		(29,428)		(146,345)
Cash flows from financing activities				
Receipt of related party receivable	417,311		-	
Dividends paid	(417,315)		-	
Proceeds from borrowings	19,446		122,054	
Repayment of bank loans	(15,034)		-	
Repayment of loan notes	(10,038)		-	
Issue of share capital	15,717		-	
Net cash flows from financing activities		10,087		122,054
Net increase/(decrease) in cash and cash equivalents		29,377		(12,791)
Cash and cash equivalents at beginning of period		26,886		39,677
Cash and cash equivalents at 31 March (note 11)		56,263		26,886

1. Accounting policies

Infinis Holdings (the "Company") is a company incorporated in England and Wales. The Group financial statements consolidate those of the Company and its subsidiaries (together referred to as the "Group").

The group financial statements have been prepared and approved by the directors in accordance with International Financial Reporting Standards as adopted by the EU ("Adopted IFRS"). The Company has elected to prepare its parent company financial statements in accordance with UK GAAP; these are presented on pages 65 to 72.

The accounting policies set out below have, unless otherwise stated, been applied consistently to the financial statements of the Company and the Group, to all periods presented.

Measurement convention

The financial information has been prepared on a historical cost basis as modified for derivative financial instruments that have been measured at fair value and is presented in sterling. All values are rounded to the nearest thousand (£'000) except where otherwise indicated.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. The financial statements of subsidiaries are prepared for the same reporting year as the parent company.

All intercompany balances and transactions, including unrealised profits arising from intra Group transactions, have been eliminated in full. Unrealised losses are eliminated unless costs cannot be recovered.

Subsidiaries are entities controlled by the Group. Control exists where the Group has the power, directly or indirectly to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that are currently exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date control ceases.

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20 and 50 percent of the voting power of another entity. Associates are accounted for using the equity method (equity accounted investees) and are initially recognised at cost. The Group's investment includes goodwill identified on acquisition, net of any accumulated impairment losses. The consolidated financial statements include the Group's share of the total recognised income and expense and equity movements of equity accounted investees, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an equity accounted investee, the Group's carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of an investee.

Foreign currency

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement.

1. Accounting policies *(continued)*

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment in value.

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, and any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing items and restoring the site on which they are located. During the construction phase, these assets are held separately and depreciation commences once the asset is available for use.

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated. The estimated useful lives are as follows:

- buildings — 25 - 50 years
- plant and equipment — over the shorter of the life of the lease or the expected life of each asset being two to 20 years
- fixtures and fittings — three to 20 years

Research and development

Expenditure on research activities is recognised in the income statement as an expense as incurred.

Expenditure on development activities is capitalised if the product or process is technically and commercially feasible and the Group intends, has the technical ability and has sufficient resources to complete development, future economic benefits are probable and if the Group can measure reliably the expenditure attributable to the intangible asset during its development. Development activities involve a plan or design for the production of new or substantially improved products or processes. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads. Other development expenditure is recognised in the income statement as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and less accumulated impairment losses.

Financial instruments

Derivative financial instruments

The Group holds derivative financial instruments to hedge its interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the economic characteristics and risks of the host contract and the embedded derivative are not closely related, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value through profit or loss.

Derivatives are recognised initially at fair value; attributable transaction costs are recognised in profit or loss when incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below.

Cash flow hedges

Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge 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 profit or loss.

1. Accounting policies *(continued)*

Financial instruments (continued)

Cash flow hedges (continued)

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 profit or loss in the same period that the hedged item affects profit or loss.

Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, including service concession receivables, cash and cash equivalents, loans and borrowings and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit and loss, any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

Held to maturity investments

If the Group has positive intent and ability to hold debt securities to maturity, then they are classified as held to maturity. Held to maturity investments are measured at amortised cost using the effective interest method, less any impairment losses.

Available-for-sale financial assets

The Group's investments in equity securities and certain debt securities are classified as available-for-sale financial assets. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses, and foreign currency differences on available-for-sale monetary items are recognised directly in equity. When an investment is derecognised, the cumulative gain or loss in equity is transferred to profit or loss.

Financial assets at fair value through profit or loss

An instrument is classified at fair value through profit or loss if it is held for trading or is designated as such upon initial recognition. Financial instruments are designated at fair value through profit or loss if the Group manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Group's documented risk management or investment strategy. Upon initial recognition attributable transaction costs are recognised in profit or loss when incurred. Financial instruments at fair value through profit or loss are measured at fair value, and changes therein are recognised in profit or loss. Other non-derivative financial instruments are measured at amortised cost using the effective interest method, less any impairment losses.

Leases

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Leases in which the Group assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Where land and buildings are held under finance leases the accounting treatment of the land is considered separately from that of the buildings. Leased assets acquired by way of finance lease are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses.

1. Accounting policies *(continued)*

Intangible assets and goodwill

Where a business involves an entity under common control which falls outside the scope of IFRS 3, Business Combinations, having regard to IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors, for identifying appropriate accounting methods in circumstances not specifically considered by IFRS, the consolidated accounts are prepared as if the resulting structure had always been in place. Accordingly book values to the wider group – that is, based on the fair values assigned to the separate assets and liabilities, and goodwill arising, on the original acquisition are used. Any difference between the carrying amount of the net assets acquired and the consideration paid is recognised within other reserves.

Business combinations involving entities that are not under common control are accounted for by applying the purchase method and goodwill represents the difference between the cost of the acquisition and the fair value of the net identifiable assets acquired. Identifiable intangibles are those which can be sold separately or which arise from legal rights regardless of whether those rights are separable.

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units and is not amortised but is tested annually for impairment.

Other intangible assets are stated at cost less accumulated amortisation and any impairment losses.

When assessing impairment of goodwill, Infinis Limited as a whole is considered a cash-generating unit.

Impairment of landfill gas rights and landfill gas reserves is considered at individual site level which are considered appropriate cash-generating units.

Landfill gas reserve

The landfill gas reserve represents the gas generative capability of waste deposited in landfill sites at the date of the original acquisition of the site by the Group over which it has rights. The asset was recorded at fair value at the time of the original acquisition, and in accordance with the accounting policy for transactions with entities under common control, is recorded in these financial statements based on the amortised consolidated book value at the date of acquisition. Amortisation is provided on a straight-line basis to allocate the cost of the asset over its estimated useful life. The directors expect the maximum useful life of the Group's landfill gas reserves to be up to 31 years.

Landfill gas generation rights

The landfill gas generation rights acquired in the year represent the rights acquired by the Group associated with the gas generative capability of waste currently deposited in the landfill sites together with the gas generative capability arising from expected future tipping.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is based on the first-in first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose only of the statement of cash flows.

1. Accounting policies *(continued)*

Amortisation

Provided on a straight-line basis to allocate the cost of the asset over its useful life. The directors expect the maximum useful life of the Group's landfill gas rights to be up to 17 years.

Impairment

The carrying amounts of the Group's assets other than inventories and deferred tax assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

For goodwill, assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated at each balance sheet date.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units and then to reduce the carrying amount of the other assets in the unit on a pro rata basis. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

The recoverable amount of other assets is the greater of their net selling price and value in use. 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 an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

1 Accounting policies *(continued)*

Reversals of impairment

An impairment loss in respect of goodwill is not reversed.

In respect of other assets, an impairment loss is reversed when there is an indication that the impairment loss may no longer exist and 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.

Interest-bearing borrowings

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

Employee benefits

Defined contribution pension plans

Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement as incurred.

Share-based payments

The grant date fair value of options granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. The amount recognised as an expense is adjusted to reflect the actual number of share options for which the related service and non-market vesting conditions are met.

The fair value of the amount payable to employees in respect of share appreciation rights, which are settled in cash, is recognised as an expense with a corresponding increase in liabilities, over the period that the employees become unconditionally entitled to payment. The liability is re-measured at each reporting date and at settlement date. Any changes in the fair value of the liability are recognised as personnel expense in the income statement.

Share-based payment arrangements in which the Group receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions, regardless of how the equity instruments are obtained by the Group.

1 Accounting policies *(continued)*

Employee benefits (continued)

Long-term incentive plans

The Group operates long-term incentive plans for certain key executives under which the amounts receivable are dependent on the value of Infinis Limited upon any sale of Infinis Limited. These plans are treated as cash settled share-based payments in accordance with the provisions of IFRS 2 *Share based payments* and the cost of the expected payment is recognised over the expected period of the plan.

Trade and other receivables

Trade and other receivables, excluding derivative assets are carried at cost less impairment losses. Trade receivables which generally have 30-90 day terms are recognised and carried at original invoice amount less an 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 payables

Trade and other payables, excluding derivative liabilities are carried at cost less impairment losses.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

Revenue

Revenue for the Group is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of value added tax. Revenue is recognised where there is a signed unconditional contract of sale and as electricity is exported at the contracted rate on the date of generation except where that rate cannot be determined with reasonable certainty, in this case revenue is recognised when the rate can be ascertained with reasonable certainty. The Group accounts include revenue for ENnate Limited which installs and maintains flares. Revenue is recognised upon invoice for staged payments during installation.

Net financing costs

Net financing costs comprise interest payable, interest receivable on funds invested and foreign exchange gains and losses. Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method.

1 Accounting policies *(continued)*

Taxation (continued)

Taxation

Tax on the profit for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous periods.

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. 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 balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial period except as follows:

IAS 23

The Group has adopted IAS 23 Borrowing costs (revised) during the year. Adoption of this revised standard did not have any material effect on the financial performance or position of the Group in the current year or prior period.

IAS 23 Borrowing Costs removes the option to expense borrowing costs directly attributable to the acquisition, construction or production of qualifying assets.

1 Accounting policies *(continued)*

New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 31 March 2009, and have not been applied in preparing these consolidated financial statements:

- *Revised IAS 1 Presentation of Financial Statements* introduces the term "total comprehensive income", which represents changes in equity during a period other than those changes resulting from transactions with owners in their capacity as owners. Total comprehensive income may be presented in either a single statement of comprehensive income (effectively combining both the income statement and all non-owner changes in equity in a single statement), or in an income statement and a separate statement of comprehensive income. Revised IAS 1 becomes mandatory for the Group's 2010 consolidated financial statements.
- Amended IAS 27 *Consolida ted and Separate Financial Statements* requires accounting for changes in ownership interests by the Group in a subsidiary, while maintaining control, to be recognised as an equity transaction. When the Group loses control of a subsidiary, any interest retained in the former subsidiary will be measured at fair value with the gain or loss recognised in profit or loss. The amendments to IAS 27, which become mandatory for the Group's 2010 consolidated financial statements, are not expected to have a significant impact on the consolidated financial statements.
- Amendment to IFRS 2 *Share based Payment – Vesting conditions and cancellations* clarifies the definition of vesting conditions, introduces the concept of non-vesting conditions, requires non-vesting conditions to be reflected in grant date fair value and provides the accounting treatment for non-vesting conditions and cancellations. The amendments to IFRS 2 will become mandatory for the Group's 2010 consolidated financial statements, with retrospective application. The Group has not yet determined the potential effect of the amendment.
- Revised IFRS 3 *Business Combinations* incorporates the following changes that are likely to be relevant to the Group's operations:
    - The definition of a business has been broadened, which is likely to result in more acquisitions being treated as business combinations. Contingent consideration will be measured at fair value, with subsequent changes therein recognised in the profit or loss
    - Transaction costs, other than share and debt issue costs, will be expensed as incurred. Any pre-existing interest in the acquiree will be measured at fair value with the gain or loss recognised in profit or loss. Any non controlling (minority) interest will be measured at either fair value, or at its proportionate interest in the identifiable assets and liabilities of the acquiree, on a transaction by transaction basis.
    - Revised IFRS 3 which becomes mandatory for the Group's 2010 consolidated financial statements, will be applied prospectively and therefore there will be no impact on prior periods in the Group's 2010 consolidated financial statements.

1 Accounting policies *(continued)*

Accounting estimates and judgements

Judgements made by the directors, in the application of the accounting policies that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed below.

Landfill gas reserve

The landfill gas reserve was originally valued by the Group based on the net cash earnings from electricity generated from the waste deposited in the landfill sites at the date of acquisition by the Group using an industry standard gas production model. A number of assumptions were necessarily made in the estimation, including the method and uniformity of gas production, gas availability, methane content and price, many of which are outside the immediate control of the Group.

Landfill gas rights

The landfill gas rights have been recorded in the Group's accounts based on the fair value of the rights at the date of acquisition. The landfill gas rights include gas to be produced from waste in the ground at the date of the acquisition plus future tipping.

When the landfill gas reserve is tested for impairment the fair value of the gas asset at the date of the test is also dependent on these assumptions, many of which are outside the immediate control of the Group. Accordingly changes in the industry or to these assumptions could lead to material impairments of the landfill gas reserve value.

Goodwill

Goodwill on acquisition is initially measured at cost being the excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill relating to acquisitions is not amortised. Goodwill is reviewed for impairment, at each balance sheet date or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

Goodwill in the opening balance sheet relates to the goodwill relating to the waste to energy operations arising from acquisitions made by the Group prior to the acquisition of the waste to energy business by the Group. In accordance with the Group's accounting policy for transactions between entities under common control this goodwill has been recorded in the balance sheet based on the amounts previously recognised in the consolidated accounting records of the Group at the date of the acquisition of the business by the Group. Goodwill acquired in the previous period relates to the acquisition of Infinis (Re-Gen) Limited, ENnate Limited, Scottish BioFuel Limited and Scottish Biopower Limited.

The goodwill has been measured being the excess of the cost of the business combination over the net fair value of the identifiable assets acquired.

Goodwill has been allocated to the appropriate cash-generating unit. Goodwill is assessed for impairment annually by assessing the recoverable amount. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised.

2. Significant non cash transactions

On 17 April 2008 the Company acquired certain assets of BDR Waste Disposal Limited for a consideration of £1 and prepaid consideration of £11.1million, previously recognised in payments on account.

3 Expenses

	Year ended 31 March 2009 £'000	15 month period ended 31 March 2008 £'000
Finance costs / (income)		
Interest expense on financial liabilities measured at amortised cost:		
Bank loans	(5,983)	(7,003)
Amortisation of arrangement fees	(185)	(309)
Interest on loan notes	(2,376)	-
Other	(34)	-
Total finance costs	(8,578)	(7,312)
Interest income on loans and receivables:		
Bank interest receivable	532	2,663
Other interest receivable	257	-
Total finance income	789	2,663

3 Expenses *(continued)*

	Year ended 31 March 2009 £'000	15 month period ended 31 March 2008 £'000
Depreciation, amortisation, and other items included in consolidated income statement		
Depreciation of property, plant and equipment	20,513	26,737
Amortisation and impairment of intangible fixed assets	16,606	21,572
Impairment of property, plant and equipment	5,981	922
Operating lease expense	465	757
Loss/(profit) on disposal of fixed assets	507	(36)

	Year ended 31 March 2009 £'000	15 month period ended 31 March 2008 £'000
Auditors' remuneration		
Amounts receivable by the auditors and their associates in respect of:		
Fees payable to the Company's auditor for the audit of the Company and consolidated financial statements:	8	8
Audit of financial statements of subsidiaries pursuant to legislation	160	157
Amounts receivable by the auditors and their associates in respect of:		
Taxation	1,074	600
Transaction services	-	972
Other services	-	100
	1,242	1,837

Staff numbers and cost	Year ended 31 March 2009 £'000	15 month period ended 31 March 2008 £'000
Wages and salaries	13,450	10,618
Social security costs	1,543	1,453
Pension costs	514	613
Share based payments	-	14,785
	15,507	27,469

3 Expenses *(continued)*

The average number of persons employed by the Group during the year (2008: 15 month period) was:

	Year ended 31 March 2009 Number	15 month period ended 31 March 2008 Number
Operational staff	186	157
Administration and management	96	71
	282	228

Included in the share based payments charge shown above, certain directors of Waste Recycling Group Limited ("WRG Limited") participated in a separate long-term incentive plan. In 2004 4,500 B ordinary shares of £0.01 in Infinis Investments Limited (formerly WRG Investments Limited) were issued to directors of WRG Limited at market value. The shares vested over a period of 7 years, with the plan being treated as equity settled in accordance with provisions of IFRS 2 (Share Based Payments).

The fair value of the plan has been estimated by the directors based on the Enterprise Value achieved for the landfill operations, which were sold to Fomento de Construcciones y Contratas, S.A ("FCC"), on 27 September 2006, and the expected Enterprise Value of the remaining waste to energy business (Infinis Limited) based on external valuation advice received. The directors have also estimated the expected return term of the plan based on their current expectations as to the likelihood and timing of the sale of Infinis Limited.

Employee benefits

Long-term incentive plans

The Group operates long-term incentive plans for certain key executives under which the amounts receivable are dependent on the value of Infinis Limited upon any sale of Infinis Limited. These plans are treated as cash-settled share-based payments in accordance with the provisions of IFRS 2 'Share-based Payments' and the cost of the expected payment is recognised over the expected period of the plan.

For cash-settled share-based payment transactions the fair value of the amount payable to the employee is recognised as an expense with a corresponding increase in liabilities. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to payment. The liability is revalued at each balance sheet date and settlement date with any changes to fair value being recognised in the income statement.

The expected value of the award has been estimated by the directors based on external valuation advice received. The directors have also estimated the expected return term of the plan based on their current expectations as to the likelihood and timing of the sale of Infinis Limited.

Pensions and other post-employment benefit plans

The Group operates a number of defined contribution pension schemes on behalf of all eligible employees. The total expense relating to these plans in the current year was £513,562 (15 month period ended 31 March 2008: £613,000). The assets of the scheme are held separately from those of the Group in independently administered funds.

4 Income Tax

Consolidated income statement	Year ended 31 March 2009 £'000	15 month period ended 31 March 2008 £'000
Current income tax		
Tax charge for current period	1,126	5,039
Adjustments to prior periods	(205)	(20)
Total current income tax	921	5,019
Deferred tax		
Origination and reversal of temporary differences	1,019	(3,550)
Impact of rate change and prior periods	(11,346)	(11,047)
Total tax (credit) in income statement	(9,406)	(9,578)

4 Income tax *(continued)*

	Year ended 31 March 2009 £'000	15 month period ended 31 March 2008 £'000
Loss before tax	(23,333)	(15,480)
At United Kingdom statutory tax rate of 28% (2008 - 30%)	(6,533)	(4,644)
Expenses not deductible for tax purposes	736	7,687
Prior period current tax	(205)	(20)
Chargeable gain	-	389
Utilised tax losses	(64)	(1,608)
Impact of rate change and prior year deferred tax	(11,346)	(11,047)
Other items	-	(335)
Amortisation/impairment	8,006	-
Total tax	(9,406)	(9,578)

4 Income tax *(continued)*

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Liabilities		Assets		Net	
	As at 31 March 2009 £'000	**As at 31 March 2008 £'000**	**As at 31 March 2009 £'000**	**As at 31 March 2008 £'000**	**As at 31 March 2009 £'000**	**As at 31 March 2008 £'000**
Property, plant and equipment	4,807	5,066	-	-	4,807	5,066
Intangible assets	57,053	62,240	-	-	57,053	62,240
Other timing differences	-	-	(1,368)	(741)	(1,368)	(741)
Tax losses	-	-	(4,254)	-	(4,254)	-
	61,860	67,306	(5,622)	(741)	56,238	66,565

Movement in deferred tax during the period:

	As at 1 April 2008 £'000	Prior period movement £'000	Recognised in income statement £'000	Total £'000
Property, plant and equipment	5,066	(1,893)	1,634	**4,807**
Intangible assets	62,240	(771)	(4,416)	**57,053**
Other timing differences	(741)	82	(709)	**(1,368)**
Tax losses	-	(8,764)	4,510	**(4,254)**
	66,565(1	1,346)	1,019	**56,238**

5 Property, plant and equipment

31 March 2009	Land and Buildings £'000	Plant and equipment £'000	Assets under construction £'000	Total £'000
Cost				
Balance at 1 April 2008	29,211	220,692	18,173	268,076
Additions	32	23,261	3,550	26,843
Disposals	(624)	(1,427)	-	(2,051)
Balance at 31 March 2009	**28,619**	**242,526**	**21,723**	**292,868**
Depreciation and impairment				
Balance at 1 April 2008	(19,665)	(102,632)	-	(122,297)
Depreciation charge for the year	(791)	(19,722)	-	(20,513)
Depreciation on disposal	537	998	-	1,535
Impairment	-	(5,981)	-	(5,981)
Balance at 31 March 2009	**(19,919)**	**(127,337)**	**-**	**(147,256)**
Net book value				
At 31 March 2008	9,546	118,060	18,173	145,779
At 31 March 2009	8,700	115,189	21,723	145,612

Included in the total net book value of plant and equipment is £843,201 (at 31 March 2008: £913,467) in respect of assets held under finance leases. Depreciation for the year on these assets was £70,266 (31 March 2008: £70,266).

Property, plant and equipment under construction

At 31 March 2009 the amount of expenditure which had been incurred on assets which were in the course of construction was £21,723,000 (15 month period ended 31 March 2008: £18,173,000).

Included in assets under construction are all costs relating to ongoing projects including development of new sites, engine overhauls, landfill gas pipe-work and drilling and wind development costs.

During the year ended 31 March 2009 the Group tested the asset value for impairment and recognised an impairment loss of £5,981,000 with regard to non-moveable assets at sites where the future value of gas generation is less than the carrying value of the gas asset plus fixed assets at each site.

5 Property, plant and equipment *(continued)*

31 March 2008

	Land and buildings £'000	Plant and equipment £'000	Assets under construction £'000	Total £'000
Cost				
Balance at 1 January 2007	26,209	187,966	3,778	217,953
On acquisition of business	2,056	17,270	5,452	24,778
Additions	-	-	25,918	25,918
Disposals	-	(573)	-	(573)
Transfers	946	16,029	(16,975)	-
Balance at 31 March 2008	**29,211**	**220,692**	**18,173**	**268,076**
Depreciation and impairment				
Balance at 1 January 2007	(18,942)	(75,995)	-	(94,937)
Depreciation charge for the period	(723)	(26,014)	-	(26,737)
Depreciation on disposal	-	299	-	299
Impairment	-	(922)	-	(922)
Balance at 31 March 2008	**(19,665)**	**(102,632)**	**-**	**(122,297)**
Net book value				
At 1 January 2007	**7,267**	**111,971**	**3,778**	**123,016**
At 31 March 2008	**9,546**	**118,060**	**18,173**	**145,779**

Notes forming part of the consolidated financial statements for the year ended 31 March 2009 *(continued)*

6 Intangible assets

	Landfill gas rights £'000	Landfill gas reserve £'000	Total £'000	Goodwill £'000	Total £'000
Cost					
Balance at 1 April 2008	67,771	242,718	310,489	148,116	458,605
Change in deferred consideration	-	-	-	(1,235)	(1,235)
Additions	5,058	-	5,058	19	5,077
At 31 March 2009	72,829	242,718	315,547	146,900	462,447
Amortisation					
Balance at 1 April 2008	(9,848)	(78,356)	(88,204)	-	(88,204)
Amortisation for year	(8,366)	(7,255)	(15,621)	-	(15,621)
Impairment	(522)	(463)	(985)	-	(985)
At 31 March 2009	(18,736)	(86,074)	(104,810)	-	(104,810)
Net book value					
At 31 March 2008	57,923	164,362	222,285	148,116	370,401
At 31 March 2009	54,093	156,644	210,737	146,900	357,637

Goodwill and the landfill gas reserve are tested for impairment in accordance with IAS 36.

During the year the deferred contingent consideration on the acquisition of Scottish BioFuel Limited and Scottish BioPower Limited was reviewed and as a result this was reduced by £1,235,000.

6 Intangible assets *(continued)*

	Landfill gas rights £'000	Landfill gas reserve £'000	Total £'000	Goodwill £'000	Total £'000
Cost					
Balance at 1 January 2007	-	242,718	242,718	110,000	352,718
Acquired through business combinations	67,771	-	67,771	38,116	105,887
At 31 March 2008	67,771	242,718	310,489	148,116	458,605
Amortisation					
Balance at 1 January 2007	-	(66,632)	(66,632)	-	(66,632)
Amortisation for period	(9,848)	(11,724)	(21,572)	-	(21,572)
At 31 March 2008	(9,848)	(78,356)	(88,204)	-	(88,204)
Net book value					
At 1 January 2007	-	176,086	176,086	110,000	286,086
At 31 March 2008	57,923	164,362	222,285	148,116	370,401

In deciding whether a goodwill impairment charge is required the carrying value of goodwill is compared with the recoverable amount of cash-generating units (CGUs) which is based on value in use calculations. These calculations use the cash flow projections based on management approved budgets.

Growth rates of 3% (15 month period ended 31 March 2008: 3.5%) are used which do not exceed the long-term average growth rates for the business in which the CGU operates. The discount rates used are pre-tax and reflect specific risks relating to the respective business segments. The rates are calculated with reference to the Group's estimated weighted average cost of capital which is 8% (15 month period ended 31 March 2008: 8%).

The calculation of value in use is most sensitive to the following key assumptions:
The method and uniformity of gas production, gas availability, methane content and price, many of which are outside the immediate control of the Group.

7 Investments

The Group's share of the associate's profit and net assets and the reconciliation to the net investment are as follows:

	31 March 2009 £'000	31 March 2008 £'000
Available-for-sale assets	-	31,822
Investment in associate:		
Total assets for Novera Energy plc	198,192	-
Total liabilities for Novera Energy plc	(139,900)	-
Net investment in associate	13,944	-
Revenue for Novera Energy plc	35,514	-
Loss for Novera Energy plc	(3,544)	-
Share of loss for the year	(1,044)	-

	31 March 2009 £'000
As at 1 April 2008	-
Transfer from available-for-sale asset	31,822
Additions (to equity)	6,138
Share of loss for the year	(1,044)
Impairment of equity accounted investment	(22,972)
Carrying value as at 31 March 2009	13,944

The net investment and results presented above relate to Novera Energy plc ("Novera"), in the UK, in which the Group holds an investment of 29.6% (at 31 March 2008: 28.2%).

Included in the net investment figure as at 31 March 2009 is an impairment charge of £22,972,000 (31 March 2008: £nil) to reflect the market value of the investment at the year end.

At 31 March 2008 the Group's investment in Novera was treated as an available-for-sale financial asset. Subsequently the Group believes it is able to exert significant influence over its investment and as such has reclassified it to an investment in associate and recognised it at fair value at the point of transfer. The impairment charge of £22,972,000 (31 March 2008: £Nil) represents the board's assessment of recoverable amount and has been based on the market value of the shares of Novera Energy plc at 31 March 2009.

An increase or decrease in the share price in future could potentially have a material impact on the recoverable amount.

Notes forming part of the consolidated financial statements for the year ended 31 March 2009 *(continued)*

8 Amounts due from related parties

	31 March 2009 £'000	31 March 2008 £'000
Amounts due from related parties (see note 17)	4	417,315

9 Inventories

	31 March 2009 £'000	31 March 2008 £'000
Raw materials and consumables	1,256	2,010

10 Trade and other receivables

	31 March 2009 £'000	31 March 2008 £'000
Trade receivables	9,485	7,374
Prepayments and accrued income	31,211	31,721
Payment on account	-	11,100
Prepayments and other receivables	261	420
	40,957	50,615

All of the Group's trade and other receivables are denominated in sterling. At 31 March 2009 the amount of provision for doubtful debts included in the accounts is £263,000. At 31 March 2008 all debts were considered recoverable and therefore there is no allowance for doubtful debts.

Aged analysis of trade receivables

	31 March 2009 £'000	31 March 2008 £'000
Up to one month - not due	8,364	5,866
1 to 3 months - past due	1,285	1,189
3 to 6 months - past due	99	319
	9,748	7,374
Provision for doubtful debts	(263)	-
Total trade receivables	9,485	7,374

11 Cash and cash equivalents

	31 March 2009 £'000	31 March 2008 £'000
Cash at bank and in hand	56,263	26,886

12 Share capital and reserves

Authorised	31 March 2009 No.	31 March 2008 No.
Ordinary shares of £1 each	126,504,220	126,504,220
12% A preference shares of 0.0007p each	120,674,600	120,674,600
Non-cumulative irredeemable B preference shares of £1 each	200,000,000	200,000,000
C preference shares of £1 each	15,717,476	-

Allotted, called up and fully paid	£	£
Ordinary shares of £1 each	42,500	42,500
A preference shares	845	845
C preference shares	15,717,476	-
	15,760,821	43,345
Shares classified in Shareholders' funds	15,760,821	43,345

During the year the shareholders passed a written resolution increasing the authorised share capital of the Company from £326,505,065 to £342,222,541 by the creation of 15,717,476 C preference shares of £1 each. These C preference shares were also issued at par during the year.

12 Share capital and reserves *(continued)*

Rights attaching to each class of share

The ordinary shares entitle the holder to participate in the profits of the Company after payment in full of all dividends due to the preference shareholders. The preference shares do not carry any rights to convert into ordinary shares.

The ordinary shareholders are entitled to attend and vote at general meetings of the Company. The holders of the A and C preference shares and the non-cumulative irredeemable B preference shares are entitled to receive notice of and to attend and speak at general meetings of the Company but the preference shares do not carry voting rights.

The preference shares are not redeemable.

12 Share capital and reserves *(continued)*

Reconciliation of movement in capital and reserves

	Attributable to equity holders of the parent				
	Share capital £'000	Cumulative redeemable preference shares £'000	Retained earnings £'000	Cashflow hedging reserve £'000	Total £'000
At 1 January 2007	43	120,675	682,994	-	803,712
Loss for the year	-	-	(5,902)	-	(5,902)
Change in fair value of interest rate swaps	-	-	-	(574)	(574)
Capital reduction	-	(120,675)	120,675	-	-
Share-based payments	-	-	219	-	219
At 31 March 2008	43	-	797,986	(574)	797,455
At 1 April 2008	43	-	797,986	(574)	797,455
Share issue	15,717	-	-	-	15,717
Loss for the year	-	-	(13,927)	-	(13,927)
Dividends paid	-	-	#REF!	-	#REF!
Change in fair value of interest rate swap	-	-	-	(1,295)	(1,295)
Share-based payments	-	-	(121)	-	(121)
At 31 March 2009	15,760	-	#REF!	(1,869)	#REF!

13 Interest-bearing loans and borrowings

	31 March 2009 £'000	31 March 2008 £'000
Current		
Obligations under finance leases and hire purchase contracts	143	133
Non-secured bank loan	-	15,034
Loan notes	-	9,187
	143	24,354
Non-current		
Obligations under finance leases and hire purchase contracts	614	756
Bank loans	126,651	107,020
Loan notes	16,547	15,022
	143,812	122,798

On 10 May 2007, the Group purchased all of the B ordinary shares of £0.01 each in the capital of Infinis Investments Limited and the option deeds between Infinis Capital Limited and the holders of the B ordinary shares (Share-Based Payment scheme discussed in note 3) in Infinis Investments Limited were terminated.

The consideration for the purchase of the B ordinary shares was partially satisfied in cash and partially satisfied by issue of three classes of loan notes issued by Infinis Capital Limited. Loan notes A and B have been redeemed and loan note C is outstanding at the year end. The loan notes are interest bearing.

Maturity profile

	31 March 2009 £'000	31 March 2008 £'000
Between one and two years	143	24,354
Between two and five years	614	15,164
More than five years	143,198	107,634
	143,955	147,152

13 Interest-bearing loans and borrowings *(continued)*

	At 31 March 2009		At 31 March 2008	
	Carrying Amount £'000	**Fair value £'000**	**Carrying Amount £'000**	**Fair value £'000**
Financial assets				
Cash and cash equivalents	56,263	56,263	26,886	26,886
Loans and receivables				
Trade receivables	9,485	9,485	7,374	7,374
Accrued income	31,211	31,211	31,721	31,721
Payments on account	-	-	11,100	11,100
Other receivables	261	261	420	420
Amounts owed by a related party	4	4	417,315	417,315
Total financial assets	**97,224**	**97,224**	**494,816**	**494,816**
Financial liabilities				
Trade payables and accruals	28,696	28,696	26,507	26,507
Interest-bearing loans	143,955	143,955	147,152	147,152
Provisions	4,401	4,401	6,575	6,575
Derivative financial Instruments				
Interest rate swap	1,869	1,869	574	574
Total financial liabilities	**178,921**	**178,921**	**180,808**	**180,808**

Liquidity risk	Currency	Nominal interest rate	Year of maturity	Carrying amount	Contractual cash flows	In less than one year	Between one and two years	Between two and five years	In more than five years
At 31 March 2009									
Non-derivative financial liablities									
Interest bearing loans	sterling	5.09%	2012	126,667	144,397	6,447	6,447	131,503	-
Finance lease liabilities	sterling	6.66%	2014	757	1,065	188	188	188	501
Loan notes	sterling	Libor	2012	16,424	17,864	-	-	17,864	-

On 24 January 2007 on the acquisition of Infinis (Re-Gen) Limited (previously Summerleaze Regeneration Limited), the Group entered into an unsecured syndicated loan facility of £135,000,000. Amounts undrawn at 31 March 2009 were £8,349,000 (2008: £27,980,000).

Bank loans are stated net of unamortised loan costs of £525,000 (15 month period ended 31 March 2008: £711,000). These costs are allocated to the income statement over the 5 year term of the loan at a constant rate.

The Group uses derivative financial instruments in the normal course of business in order to hedge its exposure to fluctuations in interest rates. On 23 April 2007 the Group acquired interest swaps on £40 million of the senior facility.

13 Interest-bearing loans and borrowings *(continued)*

Bank loans of the Group are currently at libor plus margin. It is policy to protect 50% of the senior facility excluding capex and revolver facilities from exposure to increasing interest rates by entering into swap contracts.

The Group has C loan notes in issue redeemable on the earliest of 10 May 2012 and an "Exit" (being various events relating to the disposal of Terra Firma Capital Partners partnerships of their interest in the Infinis Group).

14 Provisions

	Environmental provisions £'000	Contingent consideration £'000	Total £'000
At 1 April 2008	2,772	3,803	6,575
Utilised in period	(758)	(181)	(939)
Released in period	-	(1,235)	(1,235)
At 31 March 2009	2,014	2,387	4,401
Current 2009			181
Non-current 2009			4,220
			4,401
Current 2008			181
Non-current 2008			6,394
			6,575

The environmental provision in the balance sheet at 31 March 2009 relates to the cost of buying out the obligation to supply gas to the brickworks at one particular site and remediation costs to rectify known issues at various other sites. Contingent consideration relates to the acquisition of Scottish BioPower Limited.

15 Trade and other payables (current)

	31 March 2009 £'000	31 March 2008 £'000
Cash-settled share-based payments	661	661
Trade payables	4,103	2,728
Accruals and deferred income	22,808	22,747
Derivative financial instruments	1,869	574
Corporation tax creditor	1,124	371
	30,565	27,081

16 Commitments and contingencies

Operating leases

Future minimum rentals payable under non-cancellable operating leases as at 31 March are as follows:

	31 March 2009 £'000	31 March 2008 £'000
Less than one year	834	610
Between one and five years	900	77
More than five years	722	-
	2,456	687

16 Commitments and contingencies *(continued)*

The Group leases 18 Jenbacher generating units under operating leases. On 6 December 2007 the Group acquired a 10 year lease on its Head Office premises at an annual rental of £96,750 plus service charges.

Capital commitments

During the prior period, Infinis Limited entered into various contracts relating to the development of generation of electricity from landfill gas. The commitment outstanding at the 31 March 2009 was £5.9 million (31 March 2008: £3.9 million).

17 Related party disclosures

Terra Firma Investments (GP) 2 Limited, acting as a 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 a parent company. The directors therefore consider Terra Firma to be a related party.

The Company has the ability to exercise a controlling influence over its subsidiaries. Consequently the directors also consider these subsidiary undertakings to be related parties.

A balance of £4,000 is currently outstanding between the Group and Monterey Capital II SARL.

18 Ultimate parent company and parent company of larger group

The directors regard TFCP Holdings Limited, a company registered in Guernsey, as the ultimate controlling parent entity.

There were no transactions between the Group and TFCP Holdings Limited during the year.

Transactions with other related parties

Directors' interests

None of the directors who held office at 31 March 2009 had an interest in the shares of the Company.

Compensation of key management personnel (including directors) of the Group

	Year ended 31 March 2009 £'000	15 month period ended 31 March 2008 £'000
Emoluments	2,121	1,515
Pension costs	173	292
Share-based payments	-	219
Total compensation paid to key management personnel	2,294	2,026

The aggregate of emoluments and amounts receivable under long-term incentive schemes of the highest paid director was £706,560 and Company pension contributions of £90,000 were made to a money purchase scheme on his behalf (15 month period ended 31 March 2008: emoluments and amounts receivable under long-term incentive schemes of the highest paid director: £752,520 and Group pension schemes of £112,500).

19 Financial risk management objectives and policies

Treasury and capital policies

The Group's finance function is responsible for managing the Group's exposure to finance risks and operates in line with policies set by the board of directors. The primary objectives are to:

- provide cash management;
- ensure availability of cost-effective facilities to finance net investment and working capital; and
- manage interest rate exposure;

The Group's principal financial instruments, other than derivatives, comprise bank loans, bonds, preference shares, finance leases and hire purchase contracts, cash and short-term deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial instruments such as trade debtors and trade creditors, which arise directly from its operations.

The Group also enters into derivative transactions, principally interest rate swaps. The purpose is to manage the interest rate arising from the Group's operations and its sources of finance.

It is, and has been throughout the year under review, the Group's policy that no trading in financial instruments shall be undertaken.

The board of directors monitors its capital base through regular review of cash flow and covenant forecasts.

The main risks arising from the Group's financial instruments are interest rate risk, liquidity risk and credit risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below. The Group also monitors the market price risk arising from all financial instruments.

Interest rate risk

The interest rate on the external loan is Libor plus 0.43%. £40 million of the Senior A facility has been hedged to give the Group a mixture of floating and fixed rate debt.

Commodity price risk

The Group's exposure to fluctuation in commodity prices is minimal and the directors therefore feel this is a negligible risk.

19 Financial risk management objectives and policies *(continued)*

Credit risk

The Group trades only with recognised, creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

The Group has four major electricity customers, all based in the UK. As such there is a concentration of credit risk in the Group. One of the customers, the NFPA, purchases the electricity generally at below market price on fixed price NFFO contracts. As such it does not represent a credit risk. For the remainder, there is an element of the debt that is longer term in nature due to the ROC price determination mechanism. We perform regular credit checks on our major customers and ensure parental company guarantees are in place where we believe it is necessary.

With respect to credit risk arising from the other financial assets of the Group, which comprise cash and cash equivalents, available-for-sale financial assets and certain derivative instruments, the Group's exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of these instruments.

Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, bonds, preference shares, finance leases and hire purchase contracts.

Foreign exchange risk

The Group operates solely in the United Kingdom. However it does acquire some assets in foreign currencies, mainly Euros and uses forward contracts to fix the exchange rate used to settle the transaction. This currency exposure is not material as at the date of this report. Currency exposures are reviewed regularly. The finance function is responsible for managing the net position in each foreign currency.

Sensitivity analysis

At 31 March 2009 it is estimated that a general increase of one percentage point in interest rates would decrease the Company's profit before tax by approximately £2.8 million (15 month period ended 31 March 2008: £2.7 million).

INFINIS HOLDINGS

Company balance sheet at 31 March 2009

	Note	31 March 2009 £'000	31 March 2008 £'000
Fixed assets			
Investment	22	15,749	120,717
Current assets			
Debtors	23	23,162	446,571
Cash at bank	24	10	4,841
Total assets		38,921	572,129
Creditors: amounts falling due within one year	25	(734)	(451,967)
Net assets		**38,187**	**120,162**
Capital and reserves			
Called up share capital	26	15,761	43
Retained earnings	27	22,426	120,119
Shareholders' funds		**38,187**	**120,162**

The financial statements were approved by the Board of Directors on 2 September 2009 and were signed on its behalf by:

C P T O'Haire
Director

INFINIS HOLDINGS

Statement of Total Recognised Gains and Losses for the year ended 31 March 2009

	Year ended 31 March 2009 £'000	15 month period ended 31 March 2008 £'000
Profit/(loss) for the financial year/period	319,622	(386)
Dividends paid	(417,315)	-
Capital reduction	-	120,675
Total recognised gains and losses relating to the financial year/period	(97,693)	120,289
Total gains and losses recognised since last annual report	(97,693)	120,289

INFINIS HOLDINGS

Company reconciliation of movements in shareholders' funds for the year ended 31 March 2009

	Year ended 31 March 2009 £'000	15 months period ended 31 March 2008 £'000
Profit/(loss) for the financial year/period	319,622	(386)
Dividends paid	(417,315)	-
Issue of share capital	15,718	-
Net reduction in shareholders' funds	(81,975)	(386)
Opening shareholders' funds	120,162	120,548
Closing shareholders' funds	**38,187**	**120,162**

20 Summary of significant accounting policies

Basis of preparation

The financial statements have been prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP), and under the historical cost accounting rules.

Under section 230(4) of the Companies Act 1985 the Company is exempt from the requirement to present its own profit and loss account.

Under Financial Reporting Standard 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements.

Investments

Investments are stated at cost less provision for any impairment in value.

Taxation

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19 "Deferred Taxation".

Classification of financial instruments issued by the Company

Following the adoption of FRS 25, financial instruments issued by the Group are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

- they include no contractual obligations upon the Group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Group; and
- where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges. Finance payments associated with financial instruments that are classified as part of shareholders' funds, are dealt with as appropriations in the reconciliation of movements in shareholders' funds.

20 Summary of significant accounting policies *(continued)*

Cash and liquid resources

Cash comprises cash in hand and deposits repayable on demand, less overdrafts payable on demand.

21 Information regarding Directors and employees

None of the directors received any remuneration or benefits from the Company during the year ended 31 March 2009 (15 month period ended 31 March 2008: £Nil). The Company had no employees during the current year or previous period.

22 Investment in subsidiary undertaking

	31 March 2009 £'000	31 March 2008 £'000
Investment in Infinis Capital Limited	15,749	120,717

On 10 September 2008 the Company impaired its investment in Infinis Captial Limited by £120,686,000.
On 18 November 2008 the Company acquired £15,718,000 of newly issued share capital in Infinis Capital Limited.

The principal operating subsidiaries, all of which were engaged in the principal activity of the Group, incorporated in England and Wales (or Scotland where indicated) and 100% owned, unless otherwise stated, at 31 March 2009 were:

Infinis Limited	Infinis (Re-Gen) Limited *	
Infinis Capital Limited	ENnate Limited *	
Infinis Investments Limited	Scottish BioFuel Limited *	(incorporated in Scotland)
Infinis Investments 2 Limited	Scottish Biopower Limited *	(incorporated in Scotland)
Infinis Finance plc	Infinis Energy Limited **	
Infinis Acquisitions	Infinis Energy Holdings Limited	
Infinis Guarantee Company Limited		
Infinis Operations 1		
Infinis Operations 2		

* *Companies held directly by Infinis Limited*
** *Infinis Energy Limited is held directly by Infinis Energy Holdings Limited*

23 Other receivables

	31 March 2009 £'000	31 March 2008 £'000
Amounts due from Group companies	23,162	445,801
Other receivables	-	770
	23,162	446,571

24 Cash at bank

31 March 2009 £'000	31 March 2008 £'000
10	4,841

25 Creditors: amounts falling due within one year

	31 March 2009 £'000	31 March 2008 £'000
Amounts owed to Group companies	724	451,967
Other creditors	10	-
	734	451,967

26 Share capital and reserves

	31 March 2009 No	31 March 2008 No
Authorised		
Ordinary shares of £1 each	126,504,220	126,504,220
12% A preference shares of 0.0007p each	120,674,600	120,674,600
Non-cumulative irredeemable B preference shares of £1 each	200,000,000	200,000,000
C preference shares of £1 each	15,717,476	-

Allotted, called up and fully paid

	31 March 2009 £	31 March 2008 £
Ordinary shares of £1 each	42,500	42,500
A preference shares	845	845
C preference shares	15,717,476	-
	15,760,821	43,345
Shares classified in liabilities	-	-
Shares classified in shareholders' funds	15,760,821	43,345
	15,760,821	43,345

See note 12 as to the increase in authorised and issued share capital in the year.

27 Profit and loss account

	Year ended 31 March 2009 £'000	15 month period ended 31 March 2008 £'000
At beginning of year/period	120,119	(170)
Profit/(loss) for the year/period	319,622	(385)
Prior years' dividends on preference shares	-	120,674
Dividends paid	(417,315)	-
	22,426	120,119

28 Related Parties

Terra Firma Investments (GP) 2 Limited, acting as 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 over the Company through the holding of shares. The directors therefore consider Terra Firma to be a related party.

Infinis Holdings has the ability to exercise a controlling influence over its subsidiary undertakings, which are members of the Group. The directors therefore consider its subsidiary undertakings to be related parties.

29 The ultimate parent

The directors regard TFCP Holdings Limited, a company registered in Guernsey, as the ultimate controlling parent entity.

There were no transactions between the Company and TFCP Holdings Limited during the year.

The Company's immediate parent undertaking is Monterey Capital II SARL, a company incorporated in Luxembourg.

Other Information

Directors
C P T O'Haire
Q R Stewart
N O Steinmeyer (Alternate to CPT O'Haire and QR Stewart)

Secretary
S J Calder

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