

**Infinis Energy Management Limited**  
Registered number: 10432339  
Annual report and financial statements  
For the year ended 31 March 2022

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## Strategic report

The Directors present their annual report and audited financial statements for Infinis Energy Management Limited (the “Company”) and its subsidiaries (together referred to as the “Group” or “Infinis”) for the year ended 31 March 2022.

### Principal activities

The principal activity of the Group is the generation and sale of low carbon electricity in the UK.

#### **Methane capture**

Methane is around 25 times more harmful than carbon dioxide to the atmosphere. By capturing methane, Infinis is providing an important service in protecting the environment.

Infinis captures methane in a controlled way by applying a suction through a network of installed pipelines and gas wells on 100 landfill sites (CLM division) and on 16 redundant coal mines (CMM division). Modular gas reciprocating engines then use the methane as a fuel source to generate electricity.

#### **Power Response (PR)**

The PR Division operates from 29 sites, providing highly responsive power in local areas connected through the local distribution network closest to consumer demand, now mostly using mains natural gas to fuel modular gas reciprocating engines. PR supports growing intermittent renewable power generation, such as wind and solar, by providing responsive, efficient generation to grid.

#### **Solar**

Solar energy parks use interconnected photovoltaic (PV) panels to capture sunlight, creating DC electricity which is then converted to AC by on-site invertors. Solar power is a renewable and infinite resource. Infinis operates from one Solar site with an additional 97MW planned for completion in FY23.

### Review of business

During the year ended 31 March 2022, the Group exported 1,267GWh (2021: 1,404GWh) of electricity to the grid. The Group has a combined installed capacity at 31 March 2022 of 460MW (2021: 472MW). The key performance indicators of the Group are:

	2022	2021
	£'000	£'000
Revenue	155,005	148,688
EBITDA <sup>1</sup>	71,553	74,166
Operating profit	27,421	22,859
Net debt	181,506	195,909

<sup>1</sup> EBITDA is an Alternative Performance Measure (APM). A reconciliation between EBITDA and operating profit is set out in note 7(b) to the financial statements.

At 31 March 2022 the Group had net assets of £10,553,000 (2021: £14,463,000). At 31 March 2022 the Company had net liabilities of £56,922,000 (2021: £46,835,000). The performance of the Company is considered in the going concern assessment on pages 3 and 4.

### Result

The Group loss for the year of £9,318,000 (2021: loss for the year of £7,220,000) was taken to reserves.

### Future developments

Despite the COVID-19 pandemic, Infinis has continued to deliver its strategy, which is aligned with the Government’s stated ambition of achieving Net Zero through our focus on accelerating our renewable energy development.

The development of subsidy-free Solar PV technology and Battery Energy Storage Systems (BESS) is a key strategic focus. Infinis now has 111MW of fully consented projects, with 97MW planned for construction over the coming twelve months. A further 104MW of projects are within the planning process awaiting determination in due course.

**Strategic report continued**

**Environmental report**

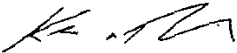
The Company is required to report information under the Streamlined Energy and Carbon Reporting (SECR) guidance. This disclosure is available in the Annual report and accounts 2022 of Infinis Energy Group Holdings Limited, the Company's immediate parent company, and is available on the website [www.infinis.com](http://www.infinis.com) or from the Company Secretary, First Floor, 500 Pavilion Drive, Northampton Business Park, Northampton, NN4 7YJ.

**Principal risks and uncertainties**

The Group adheres to the risk management policy of Infinis Energy Group Holdings Limited (the Company's immediate parent company), details of which are set out in the Annual report and accounts 2022 of that company.

The Group's risk management process and the principal risks and uncertainties, including consideration of the impact of COVID-19, are set out in the Annual report and accounts 2022 of Infinis Energy Group Holdings Limited, the Company's immediate parent company, and are available on the website [www.infinis.com](http://www.infinis.com) or from the Company Secretary, First Floor, 500 Pavilion Drive, Northampton Business Park, Northampton, NN4 7YJ.

**On behalf of the board**



**K Reid**  
**Director**  
27 July 2022

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

## **Directors' report**

### **Directors**

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

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

### **Proposed dividend**

The Directors do not recommend the payment of a dividend (2021: nil).

### **Employment policies**

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

### **Political and charitable contributions**

Neither the Company nor its subsidiaries made any political donations or incurred any political expenditure during the year. The Group made charitable donations of £78,000 (2021: £67,000) during the year.

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

During the financial year the Company has agreed to indemnify past and present Directors in accordance with and subject to the terms of the Corporate Governance Policy for the Infinis Group, against liability and all expenses reasonably incurred or paid by them in connection with any claim, action suit or proceeding in which they become involved in the performance of their duties as a Director and against amounts paid or incurred by them. These are qualifying third party indemnity provisions for the purposes of section 234 of the Companies Act 2006 and are in place at the date of approval of the Directors' report.

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

### **Going concern**

The Group statement of financial position can be found on page 11 and reflects a positive equity position. The Company statement of financial position on page 39 shows a retained earnings deficit.

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

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

The Company generated a loss in the year of £15.5m. This mainly reflects net finance costs of £19.3m on borrowings with a £3.8m tax credit offset.

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

**Going concern** *(continued)*

To assess solvency of the Company and Group, the cash generation of subsidiaries has been reviewed for the year ended 31 March 2022 and the forecast to September 2023. The Group generated a loss of £10.2m in the year to 31 March 2022. Included within this number are £44.1m of non-cash expenses relating to amortisation and depreciation. Adjusting for this the reported performance for the year was £33.9m. Net cash from operating activities was £65.6m with a high level of closing cash and notable closing and projected covenant headroom.

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

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

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

**Section 172 of the Companies Act (s172)**

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

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

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

**Statement of disclosure of information to auditors**

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

**Independent Auditors**

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

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

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

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

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

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

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted international accounting standards have been followed for the Group financial statements and United Kingdom Accounting Standards, comprising FRS 101 have been followed for the Company financial statements, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

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

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

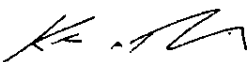
The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**Directors' confirmations**

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

- so far as the Director is aware, there is no relevant audit information of which the Group and Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Group and Company's auditors are aware of that information.

**On behalf of the board**



**K Reid**  
**Director**  
27 July 2022

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

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

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

**Opinion**

In our opinion:

- Infinis Energy Management Limited's Group financial statements and Company financial statements (the "financial statements") give a true and fair view of the state of the Group's and of the Company's affairs as at 31 March 2022 and of the Group's loss and the Group's cash flows for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: Consolidated statement of financial position and Company statement of financial position as at 31 March 2022; the Consolidated income statement, Consolidated statement of comprehensive income and Company statement of comprehensive income, Consolidated cash flow statement and Consolidated statement of changes in equity and Company statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

**Basis for opinion**

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

**Independence**

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

**Conclusions relating to going concern**

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

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

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

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

**Reporting on other information**

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



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

**Reporting on other information continued**

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

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

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

***Strategic Report and Directors' Report***

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 March 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

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

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

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

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

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

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

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

Based on our understanding of the Group and industry, we identified that the principal risks of non-compliance with laws and regulations related to health and safety, employment legislation, Bribery Act 2010, Data Protection Act 1998, RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations), OFGEM, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006 and, tax legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to management's non-disclosure of incidents in the year and management bias in accounting estimates. Audit procedures performed by the engagement team included:

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

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

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

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

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

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

**Use of this report**

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

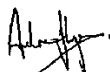
**Other required reporting**

**Companies Act 2006 exception reporting**

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

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- the Company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



**Andrew Lyon (Senior Statutory Auditor)**  
**for and on behalf of PricewaterhouseCoopers LLP**  
Chartered Accountants and Statutory Auditors  
East Midlands  
28 July 2022

**Consolidated income statement  
for the year ended 31 March 2022**

	Note	2022 £'000	Business performance £'000	Significant one-off items (note 7) £'000	2021 £'000
<b>Revenue</b>	6	155,005	148,688	-	148,688
Cost of sales		(98,573)	(91,376)	-	(91,376)
<b>Gross profit</b>		56,432	57,312	-	57,312
Administrative expenses	7(a)	(29,011)	(34,453)	-	(34,453)
<b>EBITDA</b>	7(b)	71,553	74,166	-	74,166
Depreciation of property, plant and equipment	7(a)	(28,679)	(29,114)	-	(29,114)
Amortisation of intangible fixed assets	7(a)	(15,453)	(22,193)	-	(22,193)
<b>Operating profit</b>	7(b)	27,421	22,859	-	22,859
Finance costs	9	(26,178)	(26,883)	(5,195)	(32,078)
Finance income	9	3	59	-	59
<b>Net finance costs</b>	9	(26,175)	(26,824)	(5,195)	(32,019)
<b>Profit/(loss) before income tax</b>		1,246	(3,965)	(5,195)	(9,160)
Income tax (charge)/credit	10	(10,564)			1,940
<b>Loss for the year</b>		(9,318)			(7,220)

<sup>1</sup> There were no significant one-off items in the year ended 31 March 2022

The notes on pages 13 to 38 form part of these financial statements

**Consolidated statement of comprehensive income  
for the year ended 31 March 2022**

	2022 £'000	2021 £'000
<b>Loss for the year</b>	<b>(9,318)</b>	<b>(7,220)</b>
<b>Other comprehensive income/(expense)</b>		
<b>Items that may be reclassified subsequently to the profit or loss:</b>		
Recycling of discontinued cash flow hedges	-	2,321
Impact of discontinued hedges	432	-
Amounts recycled to profit and loss	1,194	1,893
Fair value movement on cash flow hedges	5,584	(624)
Tax on movement in cash flow hedges	(1,802)	(621)
Remeasurement of defined benefit liability	-	(34)
<b>Total other comprehensive income</b>	<b>5,408</b>	<b>2,935</b>
<b>Total comprehensive expense for the financial year</b>	<b>(3,910)</b>	<b>(4,285)</b>

**Consolidated statement of changes in equity  
for the year ended 31 March 2022**

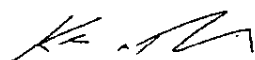
	Share capital £'000	Hedging reserve £'000	Accumulated losses £'000	Total £'000
<b>At 1 April 2020</b>	<b>35,000</b>	<b>(5,025)</b>	<b>(11,227)</b>	<b>18,748</b>
Loss for the year	-	-	(7,220)	(7,220)
Recycling of discontinued cash flow hedges	-	2,321	-	2,321
Amounts recycled to profit and loss	-	1,893	-	1,893
Fair value movement on cash flow hedges	-	(624)	-	(624)
Tax on movement in cash flow hedges	-	(621)	-	(621)
Remeasurement of defined benefit liability	-	-	(34)	(34)
<b>Total comprehensive expense</b>	<b>-</b>	<b>2,969</b>	<b>(7,254)</b>	<b>(4,285)</b>
<b>At 31 March 2021</b>	<b>35,000</b>	<b>(2,056)</b>	<b>(18,481)</b>	<b>14,463</b>
Loss for the year	-	-	(9,318)	(9,318)
Impact of discontinued hedges	-	432	-	432
Amounts recycled to profit and loss	-	1,194	-	1,194
Fair value movement on cash flow hedges	-	5,584	-	5,584
Tax on movement in cash flow hedges	-	(1,802)	-	(1,802)
<b>Total comprehensive expense</b>	<b>-</b>	<b>5,408</b>	<b>(9,318)</b>	<b>(3,910)</b>
<b>At 31 March 2022</b>	<b>35,000</b>	<b>3,352</b>	<b>(27,799)</b>	<b>10,553</b>

The notes on pages 13 to 38 form part of these financial statements

**Consolidated statement of financial position  
at 31 March 2022**

	Note	2022 £'000	2021 £'000
<b>Non-current assets</b>			
Property, plant and equipment	11	102,593	115,394
Goodwill	12	68,230	68,230
Other intangible assets	12	270,322	272,556
Derivatives	20	5,282	1,082
		<u>446,427</u>	<u>457,262</u>
<b>Current assets</b>			
Inventories	13	4,237	4,369
Trade and other receivables	14	33,718	29,885
Cash and cash equivalents		62,642	10,239
		<u>100,597</u>	<u>44,493</u>
<b>Total assets</b>		<u>547,024</u>	<u>501,755</u>
<b>Current liabilities</b>			
Interest-bearing loans and borrowings	15	422	882
Trade and other payables	18	32,544	32,702
		<u>32,966</u>	<u>33,584</u>
<b>Non-current liabilities</b>			
Interest-bearing loans and borrowings	15	444,731	405,484
Deferred tax	16	46,536	33,572
Provisions	17	8,711	9,628
Derivatives	20	-	2,578
Other payables	18	3,527	2,446
		<u>503,505</u>	<u>453,708</u>
<b>Total liabilities</b>		<u>536,471</u>	<u>487,292</u>
<b>Net assets</b>		<u>10,553</u>	<u>14,463</u>
<b>Equity</b>			
Share capital	19	35,000	35,000
Hedging reserve		3,352	(2,056)
Accumulated losses		(27,799)	(18,481)
<b>Total equity</b>		<u>10,553</u>	<u>14,463</u>

The financial statements on pages 9 to 12 were approved by the Board of Directors on 27 July 2022 and were signed on its behalf by:



K Reid  
Director

Company number: 10432339

The notes on pages 13 to 38 form part of these financial statements

**Consolidated cash flow statement  
for the year ended 31 March 2022**

	2022 £'000	2021 £'000
<b>Cash flow from operating activities</b>		
Loss for the year	(9,318)	(7,220)
<b>Adjustments for:</b>		
Depreciation of property, plant and equipment	28,679	29,114
Amortisation of intangible fixed assets	15,453	22,193
Finance costs	26,178	32,078
Finance income	(3)	(59)
Taxation	10,564	(1,940)
<b>Operating cash flow before changes in working capital and provisions</b>	<b>71,553</b>	<b>74,166</b>
(Increase)/decrease in trade and other receivables	(4,577)	9,760
Decrease/(increase) in inventories	132	(1,976)
Increase/(decrease) in trade and other payables	936	(1,818)
Decrease in provisions	(917)	(8)
<b>Cash generated from operations</b>	<b>67,127</b>	<b>80,124</b>
Interest paid on leases	(101)	(143)
Tax paid	(1,475)	(3,170)
<b>Net cash generated from operating activities</b>	<b>65,551</b>	<b>76,811</b>
<b>Cash flow used in investing activities</b>		
Interest received	3	59
Acquisition of intangibles	(11,268)	(1,662)
Acquisition of property, plant and equipment	(16,008)	(15,896)
<b>Net cash used in investing activities</b>	<b>(27,273)</b>	<b>(17,499)</b>
<b>Cash flow from/(used in) financing activities</b>		
Proceeds from borrowings	38,000	65,000
Repayment of borrowings	-	(107,300)
Repayment of shareholder loans	-	(10,500)
Interest paid on borrowings	(8,054)	(8,815)
Settlement of interest rate swaps	-	(3,365)
Interest paid on shareholder loans	(15,000)	(17,110)
Principal elements of lease payments	(821)	(967)
Arrangement fees on new loans	-	(3,874)
<b>Net cash generated from/(used in) financing activities</b>	<b>14,125</b>	<b>(86,931)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>52,403</b>	<b>(27,619)</b>
Cash and cash equivalents at the beginning of the year	10,239	37,858
<b>Cash and cash equivalents at the end of the year</b>	<b>62,642</b>	<b>10,239</b>

The notes on pages 13 to 38 form part of these financial statements

## Notes forming part of the financial statements

### 1. General information

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

The Group financial statements consolidate the results of the Company and its subsidiaries (together referred to as the "Group") for the year ended 31 March 2022. The Company financial statements present information about the Company as a separate entity and not about its Group.

#### 1.1 Basis of preparation and consolidation

The Group financial statements have been prepared and approved by the Directors in accordance with UK-based International Accounting Standards in conformity with the requirements of the Companies Act 2006 and International Financial Reporting Standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union. The Company has elected to prepare its parent Company financial statements in accordance with FRS 101. These are presented on pages 39 to 46. Having made enquiries, the Directors consider that the Company and its subsidiaries have adequate resources to continue in operation for the foreseeable future and it is therefore appropriate to adopt the going concern basis in preparing these financial statements (further details are set out in the Directors report on pages 3 to 4).

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

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

The principal accounting policies set out below have been applied consistently throughout the current financial year. The financial statements are prepared on the historical cost basis except for certain financial instruments which are stated at their fair value. All monetary values are rounded to the nearest thousand (£'000) except where otherwise indicated.

### 2. Alternative Performance Measures (APM)

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

EBITDA: earnings before interest, tax, depreciation, amortisation, impairment of non-current assets and exceptional items.

EBITDA is included as a key performance measure used by the Group's key stakeholders, including lenders, to evaluate business performance and allow a clear evaluation of performance year-on-year.

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

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

## Notes forming part of the financial statements

### 3. New standards and interpretations

#### Standards, amendments and interpretations in issue but not yet effective

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

### 4. Accounting estimates and judgments

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

#### Accounting estimates

##### (i) Acquisition accounting

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

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

Where sites are acquired with existing planning permission, grid and land rights to develop solar or battery on, these sites are considered to constitute an intangible asset. The fair value of the intangible asset must be assessed to ensure the purchase price does not exceed the value attributable to the intangible asset.

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

##### (ii) Impairment

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

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

##### (iii) ROC Recycle revenue

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

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

##### (iv) Provision for decommissioning costs

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



## Notes forming part of the financial statements

### 3. Accounting estimates and judgments continued

#### (v) Long-term incentives

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

#### Critical judgments

There are no additional material judgments in the financial statements.

### 4. Significant accounting policies

#### Business combinations

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

#### Revenue from contracts with offtakers

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

##### i. Traded power

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

##### ii. Renewable Obligation Certificates (ROCs)

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

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

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

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

##### iii. Other revenue

Other revenue includes capacity market revenue, embedded benefits such as Triad, Generator Distribution Use of System (GDUoS) and Balancing Services Use of System (BSUoS) and disposal of generating infrastructure.

- Capacity market revenue is received for providing available capacity to the National Grid that can be called upon when it is needed. Fixed monthly payments are received for assets entered into the capacity market on a per MW basis. Revenue is recognised at a point in time as the revenue accrues according to the contract.

## Notes forming part of the financial statements

### 4. Significant accounting policies continued

#### Revenue from contracts with customers continued

##### iii. Other revenue continued

- Triad periods are the three 30-minute time periods with the highest energy demand across the grid between the start of November and the end of February each year. National Grid incentivises high power production during these periods. Prices for the year are announced by National Grid in March and attract an income premium. Triad income is recognised once the Triad periods and the associated prices are announced.
- GDUoS income is received for generating in the local network and revenue is recognised in line with exported power. BSUoS income is received for the avoidance of charges levied on electricity suppliers who use National Grid to transmit their electricity from one point in the UK to another to fund National Grid's balancing services. Revenue is recognised on delivery in line with recognition of traded power as it is contractual income with the customer. BSUoS ceased as a revenue stream in March 2021.
- The sale of site infrastructure may occur when Infinis exits a site, revenue is recognised at the point in time that the asset is transferred.

#### Royalty payments

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

#### Finance income and costs

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

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

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

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

Costs incurred in raising finance are capitalised and amortised over the length of the borrowing. Additional costs incurred due to the redemption of a facility are charged to the income statement in the year in which they are incurred.

#### Exceptional items

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

#### Inventories

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

#### Employee benefits

##### Pension arrangements

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

##### Long term incentives

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

## Notes forming part of the financial statements

### 4. Significant accounting policies continued

#### Income tax

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

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

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

Deferred tax assets are recognised for unused tax losses and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the year end.

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

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

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

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

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

The estimated useful lives are as follows:

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

#### Intangible assets and goodwill

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

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

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

## Notes forming part of the financial statements

### 4. Significant accounting policies continued

#### Intangible assets and goodwill continued

Solar and BESS development costs include costs incurred to progress the Group's organic development of solar energy parks through from initial feasibility to securing planning, land and grid, and being ready for construction. Costs are capitalised as an intangible asset if, on a project by project basis, the Directors consider that each project is highly probable of securing planning consent, has land options signed and has Grid offers where required. Projects are only progressed from initial feasibility if the projected returns exceed the minimum internal post-tax rate of return. The intangible asset amortised from the point the site becomes operational. Acquired solar planning costs are held as an intangible asset and amortised from the point that the site begins operating.

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

#### Amortisation of intangible assets

##### Generation rights

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

##### Technology and brand

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

##### Solar energy parks

Solar energy parks will be written off over the minimum period of the site lease for each park.

#### Impairment

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

#### Provisions

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

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

#### Leases

The Group leases various offices and vehicles. All operational vehicles are typically leased for 3 to 4 years. Office contracts are typically 5 to 10 years in duration.

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

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

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

## Notes forming part of the financial statements

### 4. Significant accounting policies continued

#### Leases continued

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

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

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

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

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

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

#### Financial instruments

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

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

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

#### Derivative financial instruments – cash flow hedges

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

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

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

**Notes forming part of the financial statements**

**4. Significant accounting policies continued**

**Investments and other financial assets**

***Impairment***

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

***Non-derivative financial instruments***

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

- (i) Trade and other receivables are carried at original invoice amount less any allowance for uncollectable amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written-off in the income statement when identified.
- (ii) Cash and cash equivalents comprise cash balances and call deposits. Cash and cash equivalents may include restricted cash balances, which principally relate to the debt service requirements of certain borrowings undertaken by the Group.
- (iii) Interest-bearing loans and borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing loans and borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the year of the borrowings on an effective interest basis.
- (iv) Trade and other payables are carried at cost. Due to their short-term nature, their carrying value approximates their fair value.

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

Notes forming part of the financial statements

5. Segmental information

In the year ended 31 March 2022 the Group reports four divisions: Captured Landfill Methane (CLM), Captured Mineral Methane (CMM), Power Response (PR) and Solar (SOL). Solar was not a separately identified division in year ended 31 March 2021. Information regarding the results of each operating segment is included below and is reported information provided to the Senior Management Team and the Board for the reportable segments for the year ended 31 March 2022:

£'000	CLM	CMM	PR	SOL	2022 Total	CLM	CMM	PR	2021 Total <sup>2</sup>
Revenue	117,367	4,856	32,540	242	155,005	122,548	8,002	18,138	148,688
Operating expenses <sup>1</sup>	(46,634)	(2,650)	(21,342)	(53)	(70,679)	(46,736)	(3,157)	(12,997)	(62,890)
Gross profit	70,733	2,206	11,198	189	84,326	75,812	4,845	5,141	85,798
Administrative expenses <sup>1</sup>	(6,711)	(1,074)	(1,947)	(67)	(9,799)	(6,626)	(1,020)	(1,912)	(9,558)
Segment EBITDA	64,022	1,132	9,251	122	74,527	69,186	3,825	3,229	76,240
Maintenance capital expenditure	(7,818)	(518)	(1,646)	-	(9,982)	(10,847)	(1,154)	(653)	(12,654)
Segment EBITDA after maintenance capital expenditure	56,204	614	7,605	122	64,545	58,339	2,671	2,576	63,586
Development capital expenditure	457	-	1,943	6,878	9,278	275	-	1,281	1,556

In the year ended 31 March 2021 solar development capital expenditure of £3.4m was incurred.

Reconciliation to income statement

Segment EBITDA	74,527	76,240
Amounts not allocated to segments		
Management expenses	(1,332)	(716)
Development expenditure	(1,642)	(1,358)
Depreciation and amortisation	(44,132)	(51,307)
Operating profit	27,421	22,859

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

<sup>2</sup> 2021 comparative information has been restated to be consistent with 2022. In 2021 management expenses and development expenses were included within the administrative expenses, however management consider it more appropriate to present these separately, as outlined in the information above.

**Notes forming part of the financial statements**

**6. Revenue**

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

**Revenue from contracts with customers by type**

	2022 £'000	2021 £'000
Traded power	82,877	76,002
Renewable Obligation Certificates	62,377	53,923
Other revenue	9,751	18,763
	<u>155,005</u>	<u>148,688</u>

Total ROC revenue was £62.4m (2021: £53.9m) split ROC buy-out £49.6m (2021: £53.2m) and Recycled ROC £12.8m (2021: £0.7m). The basis for recognising Recycled ROC income is outlined in note 3 and relies on a series of estimates and judgements which are not confirmed by Ofgem until the following October. FY22 ROC Recycle revenue comprises £7.3m of current year (CP20) ROC Recycle (FY21: nil) and ROC Recycle related to the prior year (CP19) of £5.5m (FY21: £0.7m) in the year to 31 March 2021 the directors did not consider it possible at the date of signing the financial statements to accurately calculate, nor be sufficiently certain, of ROC Recycle revenue related to that year, therefore ROC Recycle revenue related to FY21 was recognised in the year ended 31 March 2022.

The trading strategy of the Group defines that no more than 30% of a season may be forward sold to any customer without additional Board consent. Consequently, the Group has a number of customers that may contribute more than 10% of revenue in the financial year. In the year ended 31 March 2022 four (2021: four) customers that contributed more than 10% of revenue, ranging from 11% to 28% (2021: 12% to 26%).

**7. Expenses**

**(a) Operating expenses**

Included in operating profit are the following:

	2022 £'000	2021 £'000
<b>Business performance</b>		
Depreciation of property, plant and equipment	27,818	28,135
Depreciation of right of use assets	861	979
Amortisation of intangible fixed assets	15,453	22,193
Inventories recognised as an expense	5,896	6,786
Payments to landlords for royalties	<u>21,708</u>	<u>22,020</u>

**Significant one-off items**

During the year ended 31 March 2021, significant one-off items included £5.2m of finance costs as set out in note 9.



**Notes forming part of the financial statements**

**7. Expenses continued**

**(b) Operating profit reconciliation**

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

	2022 £'000	2021 £'000
<b>EBITDA</b>	<b>71,553</b>	<b>74,166</b>
Depreciation of property, plant and equipment	(28,679)	(29,114)
Amortisation of intangible fixed assets	(15,453)	(22,193)
<b>Operating profit</b>	<b>27,421</b>	<b>22,859</b>

**(c) Auditors' remuneration**

	2022 £'000	2021 £'000
Fees payable to the Company's auditors for the audit of the Company and the consolidated financial statements of Infinis Energy Management Limited	33	30
Audit of the financial statements of subsidiaries	224	233
Prior year audit fees	15	-
Tax advice services	-	5
	<b>272</b>	<b>268</b>

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

**8. Staff numbers and costs**

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

	2022 Number	2021 Number
Operational staff	193	208
Administration and management	77	73
	<b>270</b>	<b>281</b>

The aggregate payroll costs of these persons were as follows:

	2022 £'000	2021 £'000
<b>Charged to operating expenses</b>		
Wages and salaries	17,918	17,170
Social security costs	1,760	1,912
Pension costs – defined contribution plans	819	842
	<b>20,497</b>	<b>19,924</b>

Refer to note 23 for details of the directors' remuneration.

Long-term incentive plan charges of £1.3m were incurred in the year (2021: £0.8m) and are included in wages and salaries.

*Pensions and other post-employment benefit plans*

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

	2022 £'000	2021 £'000
Pension scheme contributions	819	842
Outstanding pension scheme contributions	126	-

Notes forming part of the financial statements

9. Finance costs and income

	2022 £'000	2021 £'000
<b>Finance costs</b>		
Interest on secured loans	8,398	8,712
Interest on shareholder loans	16,219	16,829
Amortisation of arrangement fees	952	959
Arrangement fees write-off	-	2,874
Impact of discontinued hedges	432	-
Provisions: unwinding of discount	76	240
Interest on lease liabilities	101	143
Impact of discontinued cash flow hedge	-	2,321
<b>Total finance costs</b>	<b>26,178</b>	<b>32,078</b>
<b>Finance income</b>		
Bank and other interest receivable	(3)	(59)
<b>Total finance income</b>	<b>(3)</b>	<b>(59)</b>
<b>Net finance costs</b>	<b>26,175</b>	<b>32,019</b>

In the year ended 31 March 2021 the Group re-financed its borrowing facility (note 15). Due to their one-off nature, arrangement fees written off and the impact of discontinued cash flow hedge were treated as significant one-off items.

10. Income tax

Recognised in the income statement:

	2022 £'000	2021 £'000
<b>Current tax</b>		
Current year	(352)	(3,015)
Adjustments in respect of prior years	(975)	317
<b>Total current tax charge</b>	<b>(1,327)</b>	<b>(2,698)</b>
<b>Deferred tax</b>		
Origination and reversal of temporary differences	964	4,751
Adjustments in respect of prior years	433	(113)
Increase in tax rate	(10,634)	-
<b>Total deferred tax (charge)/credit</b>	<b>(9,237)</b>	<b>4,638</b>
<b>Total tax (charge)/credit</b>	<b>(10,564)</b>	<b>1,940</b>
<b>Reconciliation of effective tax rate</b>		
Profit/(loss) before tax	1,246	(9,160)
Tax charge at the UK corporation tax rate of 19% (2020: 19%)	(237)	1,740
Non-taxable income	850	-
Non-deductible expenses	(3)	(4)
Adjustments in respect of prior years	(540)	204
Impact of change in corporation tax rate	(10,634)	-
<b>Total tax (charge)/credit</b>	<b>(10,564)</b>	<b>1,940</b>

Notes forming part of the financial statements

11. Property, plant and equipment

	Property, plant & equipment £'000	Right-of-use assets £'000	Assets under construction £'000	Total £'000
<b>Cost</b>				
At 1 April 2020	209,804	3,769	10,398	223,971
Additions	31	188	15,907	16,126
Disposals	(241)	(192)	-	(433)
Transfers	19,401	-	(19,401)	-
<b>At 31 March 2021</b>	<b>228,995</b>	<b>3,765</b>	<b>6,904</b>	<b>239,664</b>
Additions	-	737	15,796	16,533
Disposals	(2,966)	-	(31)	(2,997)
Transfers	14,228	-	(14,228)	-
<b>At 31 March 2022</b>	<b>240,257</b>	<b>4,502</b>	<b>8,441</b>	<b>253,200</b>
<b>Accumulated depreciation and impairment</b>				
At 1 April 2020	93,833	1,016	455	95,304
Depreciation	28,135	979	-	29,114
Disposals	-	(148)	-	(148)
<b>At 31 March 2021</b>	<b>121,968</b>	<b>1,847</b>	<b>455</b>	<b>124,270</b>
Depreciation	27,818	861	-	28,679
Impairment	(35)	-	-	(35)
Disposals	(2,307)	-	-	(2,307)
<b>At 31 March 2022</b>	<b>147,444</b>	<b>2,708</b>	<b>455</b>	<b>150,607</b>
<b>Net book value</b>				
<b>At 31 March 2022</b>	<b>92,813</b>	<b>1,794</b>	<b>7,986</b>	<b>102,593</b>
At 31 March 2021	107,027	1,918	6,449	115,394

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

Right of use assets comprise property with a net book value at 31 March 2022 of £1.5m (FY21: £1.1m) and vehicle leases with a net book value at 31 March 2022 of £0.3m (FY21: £0.9m).

Notes forming part of the financial statements

12. Goodwill and other intangible assets

	Other intangible assets				Total £'000
	Goodwill £'000	CLM and CMM Gas Rights £'000	Solar £'000	Other £'000	
<b>Cost</b>					
At 1 April 2020	68,230	364,624	-	14,171	447,025
Additions	-	-	1,719	-	1,719
<b>At 31 March 2021</b>	<b>68,230</b>	<b>364,624</b>	<b>1,719</b>	<b>14,171</b>	<b>448,744</b>
Acquisitions	-	-	10,555	-	10,555
Additions	-	-	2,664	-	2,664
<b>At 31 March 2022</b>	<b>68,230</b>	<b>364,624</b>	<b>14,938</b>	<b>14,171</b>	<b>461,963</b>
<b>Amortisation</b>					
At 1 April 2020	-	79,962	-	5,803	85,765
Amortisation	-	20,246	-	1,947	22,193
<b>At 31 March 2021</b>	<b>-</b>	<b>100,208</b>	<b>-</b>	<b>7,750</b>	<b>107,958</b>
Amortisation	-	13,727	-	1,726	15,453
<b>At 31 March 2022</b>	<b>-</b>	<b>113,935</b>	<b>-</b>	<b>9,476</b>	<b>123,411</b>
<b>Net book value</b>					
<b>At 31 March 2022</b>	<b>68,230</b>	<b>250,689</b>	<b>14,938</b>	<b>4,695</b>	<b>338,552</b>
At 31 March 2021	68,230	264,416	1,719	6,421	340,786

The Group tests the carrying amounts of goodwill annually as described in note 4.

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

Other intangible assets of £4.7m include brand (£3.0m) and STOR contracts (£1.7m). Brand and STOR contracts have five and three years of amortisation remaining, respectively.

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

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

**Impairment**

In the year ended 31 March 2022 no impairment has been recognised by the Group (FY21: nil).

**Impairment testing**

The Group forecasts CGU cash flows to the end of the CGU's useful life. Future cash flows comprise those related to existing core operations and growth opportunities arising from existing spare grid and engine capacity. The post-tax discount rate used for each CGU was CLM 5.0%, CMM: 5.5%, PR: 6.0% and Solar 4.5%. (FY21: CLM 5.0%; CMM 5.5%; PR 6.0%).

An impairment loss is recognised if the carrying amount of the single CGU exceeds its recoverable amount, which is equal to the value of the future discounted cash flows. Any impairment losses are recognised in the income statement. Any impairment loss previously recorded in respect of goodwill is not reversed. For all other assets, an impairment loss is reversed only to the extent that the CGU's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

## Notes forming part of the financial statements

### 12. Goodwill and other intangible assets continued

#### Impairment testing continued

The impairment tests for goodwill are based on the FY23 budget and Long Term Plan, modified as appropriate to reflect the latest conditions, and incorporate the following assumptions:

- methane volumes are estimated based on budget for initial year and independently assessed for medium and long-term projects;
- operational costs (excluding royalties) are calculated as a cost per megawatt hour (MWh) to ensure the cost base appropriately flexes up or down by site based on forecast exported power;
- royalty costs are based on a percentage of revenue and are assumed to decrease over time as the site profitability reduces;
- overheads are projected based on the expected future business requirements;
- tax costs are estimated with reference to the current tax rates applicable to the business;
- capital expenditure is projected based on an expected maintenance CAPEX profile with reference to annual projected MWh exported. Capital expenditure excludes future development spend for which there is no corresponding forecast income or expenditure in the projections;
- inflation is estimated at the rate that is expected to be applicable to each revenue and cost line in future years; and
- the discount rate used is based on Infinis' estimated weighted average cost of capital. The discount rate has been adjusted by specific risk premiums associated with the individual risk profile of each CGU.

The Long Term Plan considers cash flows over the assumed life of the sites and runs for 40 years. The values assigned to the key assumptions represent management's assessment of future trends and were based on both external and internal sources (prospective and historical data).

#### CLM

Management has an in-depth understanding of the composition of landfill sites and associated methane reserves which enables a data driven approach to forecasting gas output. These forecasts are updated on a regular basis. Pricing assumptions are driven by available short-term market information and for the longer-term by industry forecasts and models.

CLM projections are based on a portfolio of 100 sites. The projections in CLM are not sensitive to any site and the portfolio effect mitigates the risk from single sites differing, notably from the projections due to specific site issues which could occur. No CLM site currently generates more than 7.7% of revenue.

#### CMM

The CMM portfolio has largely the same methane extraction and operational characteristics as CLM. Due to a smaller portfolio of 16 sites, the projections in CMM are more dependent on the top 5 sites (representing 73% of revenue in the year ended 31 March 2022) and site-specific factors i.e. early flooding of a major site, could materially impact the projections. This risk is offset by differing gas field characteristic across the portfolio which results in the methane only being extracted when the engines are operating. In the event of engine failure the gas is simply stored and extracted at a later date thus ensuring forecasts are less sensitive to methane volume variances than CLM, where gas is flared in the event of engine failure. The division operates a banking strategy where sites only extract in higher pricing periods which is expected to extend the life of sites.

#### PR

PR represents a long-term strategy which aligns with the macro trend of both (i) growing intermittency of UK electricity supply caused by traditional thermal power plants closure which are replaced by renewables in the form of wind and solar; and (ii) the long-term view of increasing electric demand caused by the increased electrification of heat and transport. The projections of the business are based on an increasingly growing demand, which results in gradually increasing short-term peak power prices, over the medium to long-term. These projections are based on industry experts and economists' macro forecasts and projections for overall power supply together with a specific subset used for the PR market. The near-term performance of the business, while important in delivering shareholder returns, is less of a factor in assessing the carrying value of assets. In the year ended 31 March 2022 the division delivered a gross profit of £11.2m (FY21: £5.1m) in a year that saw higher volatility in UK power supply. This performance is demonstrative of the potential of the division and the Directors continue to work closely with industry experts that indicate the long-term macro trends and forecasts support the carrying value.

Notes forming part of the financial statements

12. Goodwill and other intangible assets continued

Impairment testing continued

Solar

As at 31 March 2022 Infinis only had one Solar site with a significant development pipeline and spend incurred on developing these sites through to consented planning. The group had five sites fully consented at 31 March 2022. Solar projections are based upon the same long-term pricing forecasts as the CLM and CMM divisions. The generation profile of Solar sites is based on historical irradiation yield data provided by independent third-party experts on a site by site basis.

Sensitivities

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

CGU	CLM	CMM	PR	Solar
(i) the discount rate used is based on a weighted average cost of capital calculation which requires a series of assumptions related to the risk profile of the business, target gearing and market risk. Were the discount rate to be 1% higher the impact would be	-	-	£0.6m impairment	-
(ii) Infinis revenue is dependent on market pricing. The Infinis progressive forward hedging strategy ensures that power is sold up to three years ahead of delivery. For Solar longer-term pricing, initially through the CfD, is the focus. The revenue projections in the near-term are not susceptible to significant adverse movements in market pricing, as evidenced by performance through the COVID-19 pandemic. While stronger pricing is projected for the medium-term, it is prudent to assume a sensitivity on medium to longer-term pricing. For an impairment to occur within CLM and CMM (Solar is excluded given assumed CfD route to market) projected pricing beyond FY26 would need to reduce by 21% and 32%, respectively	N/a	N/a	N/a	N/a
(iii) the PR division is dependent on market demand driven by volatility in supply or demand, largely created by both growing intermittency of renewable generation and growing electricity demand and changing demand profile. Weather conditions together with EU energy demand and supply also influence the operating profile. Forecasting the operating profile and margin is therefore challenging, and we rely on a mix of run rate performance and third-party market projections. Were the projected margin to be 10% lower over the period of the review the impact would be	N/a	N/a	£9.5m impairment	N/a
(iv) For CLM and CMM, were generation to be 2% lower than projected the impact would be	-	-	-	-
(v) the majority of Infinis PR sites have a small installed capacity and under current legislation are not eligible for carbon tax. BEIS are currently reviewing this and there is a possibility carbon taxing legislation could be applied to all sites. This sensitivity applies this (at current carbon rates) and also assumes this is a direct cost to margin from FY25. The alternative model is that any carbon cost is added to operating cost and margin maintained, which would not lead to an impairment	N/a	N/a	£45.1m impairment	N/a
(vi) with inflation likely to be close to 10%, inflation risk has been considered on the projections. Through to the end of FY27, the indexed link nature of ROC, Capacity Market and certain CLM PPAs provide a natural hedge with the inflationary increase in revenue exceeding the value of that in the cost base and maintenance CAPEX such that inflation does not represent an impairment risk	-	-	-	-

**Notes forming part of the financial statements**

**13. Inventories**

	2022 £'000	2021 £'000
Parts and spares	3,470	3,587
Lubricants	767	782
	<u>4,237</u>	<u>4,369</u>

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

**14. Trade and other receivables**

	2022 £'000	2021 £'000
Trade receivables	3,199	3,215
Accrued income	27,842	23,194
Prepayments	1,815	1,860
Other receivables	220	230
Corporation tax debtor	642	1,386
	<u>33,718</u>	<u>29,885</u>

Accrued income includes £7.3m of ROC Recycle revenue (FY21: nil).

**15. Interest-bearing loans and borrowings**

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings, which are measured at amortised cost. Information relating to interest rates and liquidity is included in note 20.

**Interest-bearing loans and borrowings:**

	2022 £'000	2021 £'000
<b>Non-current</b>		
Secured loans	202,564	201,627
Shareholder loan	202,730	202,730
Secured loan – RCF	38,000	-
Lease liabilities	1,437	1,127
	<u>444,731</u>	<u>405,484</u>
<b>Current</b>		
Lease liabilities	422	882
	<u>422</u>	<u>882</u>

**Secured loans – Senior debt**

At 31 March 2022 the Group had in place a £246.0m banking facility, comprising a £65.0m term loan maturing in January 2032, a £141.0m term loan maturing in January 2026 and a £40.0m revolving credit facility (RCF).

The carrying value of the loan at 31 March 2022 of £202.6m (2021: £201.6m) is stated net of unamortised issue costs of £3.4m (2021: £4.4m). These costs are being amortised to the income statement over the term of the facility.

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

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

## Notes forming part of the financial statements

### 15. Interest-bearing loans and borrowings continued

#### Secured loans – Senior debt continued

At 31 March 2022 £38.0m (FY21: nil) of the RCF is presented as a non-current liability. The RCF attracts interest at SONIA +2.35%.

The secured loans are subject to financial covenants, including interest cover and leverage ratios. The group was compliant with these financial covenants in the year ended 31 March 2022 and projects compliance going forward for each test through to loan maturity dates.

#### Shareholder loan

At 31 March 2022 the Group had £206.9m (2021: £206.9m) of interest-bearing subordinated unsecured loan notes in issue to Infinis Energy Group Holdings Limited. The loan notes are due for repayment in 2045 and attract interest at a rate of 8%, and are listed on the International Stock Exchange for the Channel Islands.

Shareholder payments of £15.0m (2021: £27.6m) were made in the year ended 31 March 2022. No principal repayments were made in the year ended 31 March 2022 (FY21: £10.5m), and interest payments of £15.0m (2021: £17.1m) were made.

#### Impact of interest rate benchmark reform

During FY22 the business transitioned away from LIBOR as the benchmark was phased out. The business adopted SONIA as at 31 December 2021. The new variable rate is applicable to the £141.0m term loan and the associated SWAP arrangements.

### 16. Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	2022 £'000	2021 £'000
<b>Liabilities</b>		
Property, plant and equipment	8,816	5,799
Intangible assets	44,563	36,491
Other temporary differences	176	-
<b>Total</b>	<b>53,555</b>	<b>42,290</b>
<b>Assets</b>		
Losses	(7,019)	(7,526)
Other temporary differences	-	(1,192)
<b>Total</b>	<b>(7,019)</b>	<b>(8,718)</b>
<b>Net deferred tax liability</b>	<b>46,536</b>	<b>33,572</b>



Notes forming part of the financial statements

16. Deferred tax assets and liabilities continued

Movement in deferred tax assets and liabilities during the year:

	At beginning of the year £'000	Acquisition of subsidiaries £'000	Recognised in reserves £'000	Temporary differences in the year £'000	Rate change £'000	At end of the year £'000
<b>31 March 2022</b>						
Property, plant and equipment	5,799	-	-	2,230	787	8,816
Intangibles	36,491	1,925	-	(4,081)	10,228	44,563
Losses	(7,526)	-	-	507	-	(7,019)
Other temporary differences	(1,192)	-	1,802	(53)	(381)	176
<b>Total</b>	<b>33,572</b>	<b>1,925</b>	<b>1,802</b>	<b>(1,397)</b>	<b>10,634</b>	<b>46,536</b>
<b>31 March 2021</b>						
Property, plant and equipment	6,308	-	-	(509)	-	5,799
Intangibles	40,599	57	-	(4,165)	-	36,491
Losses	(7,657)	-	-	131	-	(7,526)
Other temporary differences	(1,718)	-	621	(95)	-	(1,192)
<b>Total</b>	<b>37,532</b>	<b>57</b>	<b>621</b>	<b>(4,638)</b>	<b>-</b>	<b>33,572</b>

A change to the main UK corporation tax rate to 25% announced in the Budget 2021 on 3 March 2021, was substantively enacted on 24 May 2021. Consequently, the group has adjusted its deferred tax liability to 25% resulting in an £11.5m charge to the income statement.

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

17. Provisions

	Decommissioning provisions £'000	Other provisions £'000	Total provisions £'000
<b>At 1 April 2020</b>	<b>8,419</b>	<b>1,218</b>	<b>9,637</b>
Unwinding of discount	240	-	240
Reduction in provision credited to plant and equipment	(241)	-	(241)
Additions	121	-	121
Utilisation of provisions	(103)	(26)	(129)
<b>At 31 March 2021</b>	<b>8,436</b>	<b>1,192</b>	<b>9,628</b>
Unwinding of discount	76	-	76
Reduction in provision credited to plant and equipment	24	-	24
Additions	(577)	-	(577)
Utilisation of provisions	(350)	(90)	(440)
<b>At 31 March 2022</b>	<b>7,609</b>	<b>1,102</b>	<b>8,711</b>

**Notes forming part of the financial statements**

**17. Provisions continued**

Decommissioning provisions relate to the restoration of the Group's operating sites. As explained in the accounting policies (note 4), provisions are calculated at a discounted value of expected future costs. The discount rate applied to the decommissioning provision in the year ended 31 March 2022 is 1.5% (FY21: 1.3%), representing a 25-year UK GILT. The more significant cash outflows are not expected to occur until the end of site lives which is estimated for the more significant sites to be in 40 years. Some smaller sites may be decommissioned earlier as sites become uneconomical.

Other provisions relate primarily to remediation costs and aftercare costs. The remediation costs relate to known issues at various sites and the aftercare costs relate to one site within Infinis (Re-Gen) Limited, a subsidiary of the Group.

All provisions are classified as non-current.

**18. Trade and other payables**

	2022 £'000	2021 £'000
<b>Amounts due within one year</b>		
Trade payables	6,210	5,275
Accruals and deferred income	18,612	23,566
Amounts payable to a related party	5,209	643
Other payables	2,513	3,218
	<u>32,544</u>	<u>32,702</u>
<b>Amounts due after one year</b>		
Other payables	<u>3,527</u>	<u>2,446</u>

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

**19. Share capital**

	Issued share capital 2022 Number	Aggregate nominal value 2022 £'000	Issued share capital 2021 Number	Aggregate nominal value 2021 £'000
<b>Allotted, called up and fully paid</b>				
At 1 April (ordinary shares of £1)	35,000,001	35,000	35,000,001	35,000
At 31 March	<u>35,000,001</u>	<u>35,000</u>	<u>35,000,001</u>	<u>35,000</u>

## Notes forming part of the financial statements

### 20. Financial instruments

#### Capital management

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

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

#### Financial instruments

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

#### (a) Financial risk management – measurement

Financial instruments are classified into the following levels based upon the degree to which fair value is obtainable:

Level 1 – fair values from quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – those fair values derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 – those fair values derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value of derivative financial instruments is based on broker quotes and classified as Level 2. These quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date.

For all other financial instruments, the carrying amount is deemed to be a reasonable approximation of the fair value as amounts are either repayable on demand or are short-term in nature.

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

	Carrying value 2022 £'000	Fair value 2022 £'000	Carrying value 2021 £'000	Fair value 2021 £'000
<b>Financial assets</b>				
<i>Financial assets at amortised cost:</i>				
Cash and cash equivalents	62,642	62,642	10,239	10,239
Trade receivables	3,199	3,199	3,215	3,215
Accrued income	27,842	27,842	23,194	23,194
Other receivables	220	220	230	230
Derivative financial assets	5,282	5,282	1,082	1,082
<b>Total financial assets</b>	<b>99,185</b>	<b>99,185</b>	<b>37,960</b>	<b>37,960</b>
<b>Financial liabilities</b>				
<i>Financial liabilities at amortised cost</i>				
Trade and other payables	36,071	36,071	35,148	35,148
Interest-bearing loans	443,294	443,294	404,357	404,357
Leases	1,859	1,859	2,009	2,009
<i>Financial liabilities at fair value through profit and loss:</i>				
Derivative financial liabilities	-	-	2,578	2,578
<b>Total financial liabilities</b>	<b>481,224</b>	<b>481,224</b>	<b>444,092</b>	<b>453,720</b>

**Notes forming part of the financial statements**

**20. Financial instruments continued**

**(b) Financial risk management – credit risk**

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

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

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

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

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

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

Notes forming part of the financial statements

20. Financial instruments continued

(c) Financial risk management – liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's Treasury policy is to ensure that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or damage to the Group's reputation. The Group finances activities with a combination of external bank facilities, related party borrowings and cash from operating activities. Based on management forecasts, the Group has adequate headroom and will continue to meet liabilities as they fall due.

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

	Nominal interest rate	Year of maturity	Carrying value £'000	Cash outflows £'000	In less than one year £'000	Between one and two years £'000	Between two and five years £'000	In more than five years £'000
<b>As at 31 March 2022</b>								
<b>Non-derivative financial liabilities</b>								
Trade payables	-	2023	6,210	(6,210)	(6,210)	-	-	-
Bank loan (RCF)	2.35% + SONIA	2026	38,000	(42,428)	(1,155)	(1,155)	(40,118)	-
Bank loan	2.35% + SONIA	2026	138,647	(157,430)	(4,286)	(4,286)	(148,858)	-
Bank loan	5%	2032	63,916	(98,518)	(3,250)	(3,250)	(10,270)	(81,748)
Lease liabilities	5%	2021-2027	1,859	(3,533)	(505)	(266)	(568)	(2,194)
Related party payable	8.0%	2045	207,939	(613,135)	(22,826)	(17,617)	(52,852)	(519,840)
<b>Total – non-derivatives</b>			<b>456,571</b>	<b>(921,254)</b>	<b>(38,232)</b>	<b>(26,574)</b>	<b>(252,666)</b>	<b>(603,782)</b>
<b>Derivative financial instruments</b>								
Derivative financial assets	1.26%	2023	(5,282)	-	-	-	-	-
<b>Total – derivatives</b>			<b>(5,282)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>As at 31 March 2021</b>								
<b>Non-derivative financial liabilities</b>								
Trade payables	-	2022	5,275	(5,275)	(5,275)	-	-	-
Bank loan	2.35% + Libor	2026	138,047	(157,613)	(3,437)	(3,437)	(150,739)	-
Bank loan	5%	2032	63,580	(103,768)	(3,250)	(3,250)	(10,270)	(86,998)
Lease liabilities	5%	2021-2027	2,009	(2,263)	(982)	(478)	(593)	(210)
Related party payable	8.0%	2045	203,373	(598,140)	(16,449)	(16,449)	(49,346)	(515,896)
<b>Total – non-derivatives</b>			<b>412,284</b>	<b>(867,059)</b>	<b>(29,393)</b>	<b>(23,614)</b>	<b>(210,948)</b>	<b>(603,104)</b>
<b>Derivative financial instruments</b>								
Derivative financial liabilities	1.26%	2023	2,578	(2,996)	(1,240)	(1,240)	(516)	-
Derivative financial assets	0.4%	2026	(1,082)	-	-	-	-	-
<b>Total – derivatives</b>			<b>1,496</b>	<b>(2,996)</b>	<b>(1,240)</b>	<b>(1,240)</b>	<b>(516)</b>	<b>-</b>

**Notes forming part of the financial statements**

**20. Financial instruments continued**

**(d) Market risk**

**Financial risk management**

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

**Interest rate risk**

The Group adopts a policy of limiting exposure to changes in interest rates on borrowings. The Group enters into and designates interest rate swaps as hedges of the variability in cash flows attributable to interest rate risk. At 31 March 2022 75% (2021: 75%) of the Group's £141.0m term loan is subject to an interest rate swap (see note 15).

A hedge is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments, to ensure that an economic relationship exists between the hedged item and hedging instrument. Ineffectiveness may occur due to:

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

At 31 March 2022, a balance of £0.6m (FY21: £0.8m) is held within the cash flow hedge reserve in relation to discontinued hedges where the forecast cash flows are still expected to occur. This is being released to finance costs in the income statement on a straight line basis to August 2023.

Profit or loss is sensitive to higher/lower interest costs from changes in interest rates as a result of the element of the Group's term loan that is not hedged. The impact of an increase/decrease in interest rates of 1% is a decrease/increase in the Group's profit before tax of £0.7m (2021: £0.3m).

**21. Leases and commitments**

	2022 £'000	2021 £'000
Current	422	882
Non-current	1,437	1,127
<b>Lease liabilities at 31 March</b>	<b>1,859</b>	<b>2,009</b>

**Commitments**

During the year, the Group entered into various contracts relating to the purchase of capital equipment.

	2022 £'000	2021 £'000
Capital commitments contracted but not provided for	1,401	2,448

The Group has other commitments that are outside the scope of IAS 17 and IFRS 16 relating to site access. These commitments have a duration of between 12 months and 21 years and are a mix of fixed and variable rentals. The cash outflows in the year of the fixed rentals were £0.9m (2021: £0.9m).

## Notes forming part of the financial statements

### 22. Business combinations

On 21 December 2021 the Infinis Group acquired two non-trading UK companies (ND Solar Enterprises Limited and Aura Power Solar UK 6 Limited) who own the rights for the development of solar farm sites at Bishampton and Litchardon. Consideration paid for the two entities was £8.6m. The companies held assets relating to site planning/applications/lease (options) that will, as the sites are built out, crystallise as operational solar farms. The value of the assets recorded in the books was £0.8m. The difference between consideration and book assets of £7.8m has been accounted for in the Group financial statements as intangible assets.

The intangible assets acquired are subject to the Infinis annual impairment testing and have demonstrated no impairment is required. Given the acquisitions have been relatively recent and the purchase price was determined using models prepared by Infinis an impairment would not be expected.

### 23. Related parties

#### (a) Transactions with key management personnel

Key management personnel comprise the Directors of the Company.

##### Directors' shareholdings

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

##### Remuneration

The remuneration of key management personnel was as follows:

	2022 £'000	2021 £'000
Short-term employee benefits (including employer national insurance)	1,710	1,731
Other long-term benefits – long-term incentive plan	327	166
Post-employment benefits	64	64
	<u>2,101</u>	<u>1,961</u>

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

	2022 £'000	2021 £'000
Short-term employee benefits (including employer national insurance)	638	591
Other long-term benefits – long-term incentive plan	180	142
Post-employment benefits	41	41
	<u>859</u>	<u>774</u>

#### (b) Other related party transactions

The Company has a £202.7m (2021: £202.7m) interest-bearing loan owed to Infinis Energy Group Holdings Limited, its immediate parent company (see note 15). Interest accrued and owing on this loan was £5.2m as at 31 March 2022 (2021: £0.6m).

3i Infrastructure plc (3iN), a company incorporated in the Channel Islands, is the Company's ultimate parent company. 3iN therefore has the ability to exercise a controlling influence through its shareholding in each of the wholly-owned subsidiaries (the "3iN Holding Companies") through which it owns the entire issued share capital of the Company. The Directors therefore consider 3iN and each of the 3iN Holding Companies to be related parties.

There were no direct transactions between the Group and 3iN or each of the 3iN Holding Companies during the year. There were no balances outstanding between the Group and 3iN or each of the 3iN Holding Companies at the end of the year.

**Notes forming part of the financial statements**

**24. Ultimate parent and controlling party**

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

**25. Subsequent events**

On 8 July 2022 the Group acquired the trade and assets of a single CLM site for £2.0m.

There were no other subsequent events.

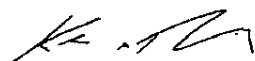


**Company statement of financial position  
at 31 March 2022**

	<i>Note</i>	2022 £'000	2021 £'000
<b>Non-current assets</b>			
Investments	28	242,897	242,897
Derivatives		5,282	1,082
		<u>248,179</u>	<u>243,979</u>
<b>Current assets</b>			
Trade and other receivables	29	149,752	117,170
Cash and cash equivalents		113	90
Deferred tax	31	-	483
		<u>149,865</u>	<u>117,743</u>
<b>Total assets</b>		<u>398,044</u>	<u>361,722</u>
<b>Current liabilities</b>			
Trade and other payables	32	10,653	1,770
<b>Non-current liabilities</b>			
Interest-bearing loans and borrowings	30	443,146	404,209
Deferred tax	31	1,167	-
Derivatives		-	2,578
		<u>444,313</u>	<u>406,787</u>
<b>Total liabilities</b>		<u>454,966</u>	<u>408,557</u>
<b>Net liabilities</b>		<u>(56,922)</u>	<u>(46,835)</u>
<b>Equity</b>			
Share capital	33	35,000	35,000
Hedging reserve		3,352	(2,056)
Retained earnings		(95,274)	(79,779)
<b>Total equity</b>		<u>(56,922)</u>	<u>(46,835)</u>

The Company reported a loss of £15,490,000 for the year ended 31 March 2022 (2021: £32,003,000). Included in the loss were impairment charges of £nil (2021: £74,026,000) and dividend income of £nil (2021: £56,744,000) as outlined in note 27. Net finance charges of £19,370,000 (2021: £18,809,000) included no significant one-off items (2021: £5,195,000) as outlined in note 7.

The financial statements on pages 39 to 46 were approved by the Board of Directors on 27 July 2022 and were signed on its behalf by:



K Reid  
Director

Company number: 10432339

The notes on pages 41 to 46 form part of these financial statements.

**Company statement of comprehensive income  
for the year ended 31 March 2022**

	2022 £'000	2021 £'000
<b>Loss for the year</b>	<b>(15,495)</b>	<b>(32,003)</b>
<b>Other comprehensive income/(expense)</b>		
<b>Items that may be reclassified subsequently to the profit or loss:</b>		
Recycling of discontinued cash flow hedges	-	2,321
Impact of discontinued hedges	432	-
Amounts recycled to profit and loss	1,194	1,893
Fair value movement on cash flow hedges	5,584	(624)
Tax on movement in cash flow hedges	(1,802)	(621)
<b>Total other comprehensive income</b>	<b>5,408</b>	<b>2,969</b>
<b>Total comprehensive income/(expense) for the financial year</b>	<b>(10,087)</b>	<b>(29,034)</b>

**Company statement of changes in equity  
for the year ended 31 March 2022**

	Share capital £'000	Hedging reserve £'000	Retained earnings £'000	Total equity £'000
<b>Balance as at 1 April 2020</b>	35,000	(5,025)	(47,776)	(17,801)
<b>Total comprehensive income/(expense)</b>				
Loss for the year	-	-	(32,003)	(32,003)
Recycling of discontinued cash flow hedges	-	2,321	-	2,321
Amounts recycled to profit and loss	-	1,893	-	1,893
Fair value movement on cash flow hedges	-	(624)	-	(624)
Tax on movement in cash flow hedges	-	(621)	-	(621)
<b>Total comprehensive expense for the year</b>	-	2,969	(32,003)	(29,034)
<b>Balance as at 31 March 2021</b>	35,000	(2,056)	(79,779)	(46,835)
<b>Total comprehensive income/(expense)</b>				
Loss for the year	-	-	(15,495)	(15,495)
Impact of discontinued hedges	-	432	-	432
Amounts recycled to profit and loss	-	1,194	-	1,194
Fair value movement on cash flow hedges	-	5,584	-	5,584
Tax on movement in cash flow hedges	-	(1,802)	-	(1,802)
<b>Total comprehensive expense for the year</b>	-	5,408	(15,495)	(10,087)
<b>Balance as at 31 March 2022</b>	35,000	3,352	(95,274)	(56,922)

The notes on pages 41 to 46 form part of these financial statements.

## Notes forming part of the Company financial statements

### Basis of preparation

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

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

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

The Company is included in the consolidated financial statements of Infinis Energy Management Limited and Infinis Energy Group Holdings Limited. The consolidated financial statements of Infinis Energy Management Limited and Infinis Energy Group Holdings Limited are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from the Company Secretary, First Floor, 500 Pavilion Drive, Northampton Business Park, Northampton, NN4 7YJ.

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

- A Cash Flow Statement and related notes;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs; and
- Disclosures in respect of the compensation of Key Management Personnel.

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

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

The accounting policies set out below have, unless otherwise stated, been applied consistently for the year ended 31 March 2022.

### Measurement convention

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

### Going concern

The financial statements have been prepared on the going concern basis.

### Profit and loss account

As permitted by section 408 of the Companies Act 2006 the Company has elected not to present its own profit and loss account for the year ended 31 March 2022 or for the year ended 31 March 2021.

## Notes forming part of the Company financial statements

### 26. Accounting policies

#### Tax

Current tax is provided at amounts expected to be paid (or recovered) using tax rates that have been enacted or substantively enacted by the year end. Taxable profit differs from net profit in the profit and loss account because it excludes items of income or expenditure that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

#### Amounts owed by Group undertakings

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

#### Impairment

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

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

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

##### *Investments*

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

#### Financial instruments

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

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

##### *Trade and other receivables*

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

##### *Trade and other payables*

Trade and other payables are carried at cost.

#### Key judgments and sources of estimation uncertainty

In the process of applying the Company's accounting policies, management necessarily makes judgments and estimates that have a significant impact on the values recognised in the financial statements. Changes in the assumptions underlying these judgments and estimates could result in a significant impact to the financial statements. There are no critical accounting judgements, the key accounting estimates are explained below.

**Notes forming part of the Company financial statements**

**26. Accounting policies continued**

**Key judgments and sources of estimation uncertainty continued**

***Impairment of investments***

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

**27. Directors and employees**

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

**28. Investments**

	Shares in group undertakings £'000
<b>Cost</b>	
At 1 April 2020	217,496
Acquisitions	102,127
<b>At 31 March 2021 and 31 March 2022</b>	<b>319,623</b>
<b>Impairment</b>	
At 1 April 2020	2,700
Provision for impairment	74,026
<b>At 31 March 2021 and 31 March 2022</b>	<b>76,726</b>
<b>Carrying value</b>	
<b>At 31 March 2022</b>	<b>242,897</b>
At 31 March 2021	242,897

During the year the Company recognised an impairment charge of £nil (2021: £74,026,000). The impairment charge comprised £nil (2021: £56,744,000) from a corporate restructure and £nil (2021: £17,282,000) from a reduction in the carrying value of the Company's investments (details are set out below).

**Corporate restructure**

The Company aims to minimise the number of legal entities within its corporate structure to reduce the administrative costs of operating a company. In the year ended 31 March 2021 the Company acquired Alkane Energy Limited for £102,127,000 from Barbican Bidco Limited (an indirect subsidiary of the Company). The proceeds were used by Barbican Bidco Limited to repay a loan outstanding to the Company of £46,707,000.

The investment value in Barbican Holdco Limited (a direct subsidiary of the Company and parent of Barbican Bidco Limited) of £56,744,000 was fully impaired following the sale of Alkane Energy Limited to the Company. Barbican Holdco Limited paid a dividend £56,742,000 to the Company. Both Barbican Bidco Limited and Barbican Holdco Limited were placed into members voluntary liquidation.

**Impairment testing**

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

**Notes forming part of the Company financial statements**

**28. Investments continued**

At 31 March 2022 the Company had the following investments in subsidiaries:

	<b>Incorporation and operation</b>	<b>Principal activity</b>	<b>Ordinary share capital held</b>
<b>Directly held by the Company:</b>			
Alkane Energy Limited	UK	Holding company	100%
Barbican Holdco Limited	UK	Members' voluntary liquidation	100%
Infinis Alternative Energies Limited	UK	Active	100%
Infinis China (Investments) Limited	UK	Members' voluntary liquidation	100%
Infinis Energy Services Limited	UK	Active	100%
Infinis Energy Storage Limited (formerly Infinis Acquisitions Limited) <sup>1</sup>	UK	Active	100%
Infinis Limited	UK	Active	100%
Infinis Solar Holdings Limited	UK	Holding company	100%
<b>Indirectly held by the Company:</b>			
Alkane Biogas Limited	UK	Dissolved 17 May 2022	100%
Alkane Energy CM Holdings Limited	UK	Members' voluntary liquidation	100%
Alkane Energy CM Limited	UK	Active	100%
Alkane Energy UK Limited	UK	Active	100%
Alkane Services Limited	UK	Dissolved 17 May 2022	100%
Aura Power Solar UK 6 Limited	UK	Acquired 21 December 2021	100%
Barbican Bidco Limited	UK	Members' voluntary liquidation	100%
Bidston Methane Limited	UK	Active	50%
Costessey Energy Limited <sup>1</sup>	UK	Active	100%
Gengas Limited <sup>1</sup>	UK	Active	100%
Infinis (COE) Limited	UK	Members' voluntary liquidation	100%
Infinis (Re-Gen) Limited	UK	Active	100%
Infinis Solar Developments Limited	UK	Active	100%
Infinis Solar Limited (formerly Reg Ling Hall Solar Limited)	UK	Active	100%
Leven Power Limited	UK	Active	100%
Mayton Wood Energy Limited	UK	Members' voluntary liquidation	100%
ND Solar Enterprises Limited <sup>1</sup>	UK	Acquired 21 December 2021	100%
Novera Energy Generation No. 1 Limited <sup>1</sup>	UK	Active	100%
Novera Energy Generation No. 2 Limited	UK	Active	100%
Novera Energy Generation No. 3 Limited	UK	Members' voluntary liquidation	100%
Novera Energy (Holdings 2) Limited	UK	Holding company	100%
Novera Energy Operating Services Limited <sup>1</sup>	UK	Active	100%
Novera Energy Services UK Limited	UK	Members' voluntary liquidation	100%
Regent Park Energy Limited	UK	Active	100%
Renewable Power Generation Limited	UK	Dormant	100%
Rhymney Power Limited	UK	Active	100%
Seven Star Natural Gas Limited <sup>1</sup>	UK	Active	100%

<sup>1</sup> The above 100% subsidiaries have taken the exemption from audit under section 479a of the Companies Act 2006.

**Notes forming part of the Company financial statements**

**28. Investments continued**

The Company's voting rights are the same as the percentage holding. The registered office of the subsidiaries is First Floor, 500 Pavilion Drive, Northampton Business Park, Northampton, NN4 7YJ.

The Company has undertaken a project over the last two years focused on a proactive reduction in the number of intermediate non-trading holding companies, and smaller legacy trading entities typically containing one operating site. Following a period of due diligence, where applicable each of the trade, assets and liabilities are transferred to another Group company to facilitate the solvent liquidation of the companies through a members voluntary liquidation process. As at March 2022 10 subsidiaries (March 2021: 12) were in members voluntary liquidation process and are expected to complete the liquidation process in the next twelve months.

**29. Trade and other receivables**

	2022 £'000	2021 £'000
Amounts owed by Group companies	142,764	110,321
Corporation tax debtor	6,988	6,849
	<u>149,752</u>	<u>117,170</u>

**30. Interest-bearing loans and borrowings**

	2022 £'000	2021 £'000
<b>Non-current</b>		
Secured loans	240,416	201,479
Shareholder loan	202,730	202,730
	<u>443,146</u>	<u>404,209</u>

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

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

**31. Deferred tax**

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

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

	At 1 April 2020 £'000	Recognised in reserves £'000	At 31 March 2021 £'000
Other timing differences	1,104	(621)	483
<b>Total</b>	<u>1,104</u>	<u>(621)</u>	<u>483</u>

**Notes forming part of the Company financial statements**

**32. Trade and other payables**

	2022 £'000	2021 £'000
Trade payables and accruals	1,699	778
Amounts payable to a related party	5,209	643
Amounts owed to Group companies	3,745	349
	<u>10,653</u>	<u>1,770</u>

**33. Share Capital**

	Issued share capital 2022 Number	Aggregate nominal value 2022 £'000	Issued share capital 2021 Number	Aggregate nominal value 2021 £'000
<b>Allotted, called up and fully paid</b>				
At 1 April - ordinary share of £1	35,000,001	35,000	35,000,001	35,000
At 31 March	<u>35,000,001</u>	<u>35,000</u>	<u>35,000,001</u>	<u>35,000</u>

**34. Related party disclosures**

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

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

**35. Ultimate parent and controlling entity**

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

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