ANNUAL REPORT AND ACCOUNTS 2017

DELIVERING ENERGY WITH PASSION

INFINIS IS THE LARGEST RENEWABLE POWER GENERATOR FROM LANDFILL GAS IN THE UK

OUR MISSION

Together we shall grow Infinis into a more diversified energy portfolio, focused around our core expertise and strong platform, to create long-term value and a sustainable future.

OUR VALUES

Our values underpin how we do business.

Excellence

We invest in the best people and technology, priding ourselves in having the most knowledgeable personnel. We are dedicated to excellence and passionate about what we do, always striving for quality. We undertake our daily business in a professional and ethical manner.

Innovation

We encourage innovation and want to try new things. We are entrepreneurs who continually challenge the norm, are adaptable and embrace change. We are dynamic and keen to grow into new markets.

Commitment

We display energy, passion and drive to get the job done safely, being flexible in how we approach our tasks and priding ourselves on exceeding expectations. We are loyal, highly engaged and believe we can make a real difference.

Openness

We communicate with honesty, clarity and are approachable across the organisation, having a culture of both openness and integrity.

Fulfilment

We expect excellence as the norm, endeavouring to create exceptional career paths where possible. We create an environment for our people to succeed and flourish, and personal development is encouraged for all.

Responsibility

Our world class safety and environmental standards are at the heart of what we do. We act fairly to all stakeholders, promoting sustainability, and we demonstrably care about each other and the communities in which we work.

HIGHLIGHTS OF THE YEAR

BUSINESS TRANSITION

- Acquisition of the LFG business by 3i in December 2016
- New Board of Directors; new Senior Management Team promoted from within the business
- New mission, vision, values and strategic direction

OPERATIONAL EXCELLENCE

Annualised reliability

97%

(2016: 96%)

Annualised mean time between breakdowns

246hrs

(2016: 226hrs)

SOLID RESULTS

Annualised Revenue

£152.3m

(2016: £166.3m)

Annualised exported power

1,578 GWh

(2016: 1,725 GWh)

Statutory revenue

£55.3m

Statutory gross profit

£26.9m

AWARD-WINNING HEALTH AND SAFETY PERFORMANCE

Annualised RIDDOR accident frequency rate

0.47

(2016: 0.42)

BRITISH SAFETY COUNCIL International Safety Awards 2017 Winner

2017 RoSPA Gold Medal Award

All figures in the strategic report are annualised unless otherwise stated. The statutory results for the Group reflect business performance since the acquisition of the Infinis business on 8 December 2017. Management has also presented annualised results, as alternative performance measures. Page 18 outlines how annualised results reconcile to the statutory results. They reflect the performance of the Infinis business for the year ended 31 March 2017 (and 31 March 2016) as if the business had always been owned by the Group. Management considers that this year-on-year comparison provides a more meaningful indication of the performance of the business.

CONTENTS

MANAGING DIRECTOR'S REVIEW

BUILDING ON SOLID FOUNDATIONS

It has been a year of profound change for Infinis as we completed the transfer of the landfill gas (LFG) business to our new owner in December 2016.

Shane Pickering
Managing Director

"LOOKING FORWARD WE ARE VERY EXCITED BY OUR GROWTH AMBITION WHICH IS UNDERPINNED BY OUR STRONG PLATFORM, OFFERING THE ABILITY TO DELIVER ORGANIC GROWTH, ACQUISITIONS AND SECTOR CONSOLIDATION."

A year of change

It has been a year of profound change for Infinis. Following the completion of the acquisition of the Infinis LFG business by 3i Infrastrucure plc in December 2016, a new governing Board of Directors was appointed, a new Executive Committee and Senior Management Team (SMT) established and, under my leadership as the new Managing Director, the team has delivered a well-executed and seamless transition to a standalone LFG business.

What has not changed are our core LFG activities; we retain the largest portfolio in the UK with around 40%[1] market share and we continue to deliver stable and predictable cash yields. This is underpinned by solid foundations of operational excellence, a strong health and safety culture and tremendous commitment and dedication from our people.

New leadership and direction

On 8 December 2016, the Infinis LFG business transitioned to new ownership and I became the Managing Director, having previously held the position of Operations Director. Upon my appointment, I established three key priorities:

— Establish a new Board and a new SMT and commence building relationships with our new owners and key stakeholders to deliver success.
— Establish a new mission, vision and strategic direction for Infinis.
— Develop a growth plan, strategic initiatives, actions and key priorities.

[1] Source: Ofgem E-serve certificate database

During the period, I am very pleased to report that all three key priorities have been achieved:

— A new Board has been established and excellent, positive relationships have been formed with our new owner. A new Executive Committee has been formed and an SMT selected. I am very proud that these key management positions were filled through promotions from within Infinis, indicating the strength of the team. They all know the business extremely well, and bring the inherent knowledge, expertise, professionalism and values required to perform successfully and drive the business forward.
— We have established our new mission, vision and strategic direction which we share in more detail throughout this report.
— Finally, we have defined our growth ambition and have embarked upon a new, and exciting development journey – one which leverages the benefits of our scale and strong platform. As such we have already commenced planning and implementing our growth plans, strategic initiatives and key priorities. We are very pleased to share these with you in this report.

I am also pleased to welcome to the Board Tony Cocker as Chairman, and Scott Longhurst as Non-Executive Director. I look forward to their valuable input going forward.

Performance

It has been a challenging year for the Infinis team with change and uncertainty, but I am very pleased with our resilience and overall performance.

We have continued to deliver excellent performance on health and safety, with a RIDDOR accident frequency rate of less than 0.5. We have yet again been recognised externally, receiving awards from the Royal Society for the Prevention of Accidents (RoSPA), from whom we have recently been awarded a Gold Medal for the ninth consecutive year, and from the British Safety Council (the International Safety Award) for the eighth year running.

Operationally we have continued to perform well, recording our highest ever engine reliability of 97%. Annualised exported power of 1.6 TWh (FY16: 1.7 TWh) was in line with expectations, providing the equivalent annual electricity needs of about 421,000 homes[1]. Our annualised EBITDA before operating exceptional items was £88.0m (FY16: £97.3m). In February 2017, we reduced our external debt and refinanced the Group at an annual interest rate of less than half the rate at the date of acquisition.

Power contracting

Approximately half the revenue the business generates is exposed to wholesale power prices. Prior to the acquisition of the business by 3i, the trading strategy was to contract forward ahead of season. While contracting forward remains a major part of the Infinis commercial trading strategy, our revised strategy aims to provide trading optimisation, meaning that a proportion of our output may be exposed to in-season/day-ahead wholesale power volatility.

A solid platform

Infinis is the largest renewable LFG to energy business in the UK, achieving unmatched scale benefits through our unique in-house operational excellence model. Our 24/7 logistics centre monitors and controls our sites, and our 'Centre of Excellence' overhaul facility in Lancaster overhauls all of our engines across the fleet. We have a tremendously dedicated and committed team, and our base LFG business provides stable and predictable cash generation: altogether a solid platform for our future.

Our market

As we explain on pages 6 and 7 the UK energy market is undergoing fundamental changes in supply and demand against the backdrop of a regulatory regime which has struggled to keep pace with such changing market dynamics.

[1] Source: BEIS 3940 kWh

We have continued to deliver excellent performance with a RIDDOR accident frequency rate of less than 0.5.

At the heart of that market are three core energy policy objectives: security of supply; de-carbonisation; and affordable power for consumers.

The drive for decarbonisation over recent years has resulted in the rapid and increasing deployment of intermittent renewable power generation such as solar and wind. This has presented National Grid with challenges in managing system stability. The closure of large thermal power plants which results in decreasing capacity margins further intensifies the grid stability issue. This is why security of supply is such a key objective. As such, there is an ever growing need for highly responsive, flexible generation to help manage this situation. Our growth ambitions seek to help resolve this issue.

Future developments

As our LFG output continues to naturally decline we are focused on growing our business by building on our solid platform and anticipating the opportunities provided by the changing energy market.

As a business we are primed and in a unique position to meet the demand for flexible, responsive generation by utilising our spare grid connection and engine capacity from our LFG business. Our growth plans for FY18 are primarily focused in this area. We are also exploring appropriate growth opportunities through acquisition.

Recognition and thanks

As the new Managing Director, I reflect on our journey through FY17 with immense pride and take this opportunity to recognise and thank various parties.

Firstly, I thank the previous owners, Terra Firma, the Board, the Executive and my former SMT colleagues for their devout professionalism and contribution over the years and for developing the strong Infinis foundations and culture that are in place today. In particular I would like to acknowledge Eric Machiels, our former CEO, who was instrumental in helping establish this.

Next, our new SMT members, who have stepped up and helped deliver a seamless transition to the new ownership. They have quickly progressed into a highly cohesive, collaborative, dynamic and engaged team, reflecting the demonstrable and professional competency of each of them.

Then 3i; I have been delighted with our new owner, and the way in which they have engaged collaboratively with our SMT, but also with many of our employees across the business. I am very much looking forward to continuing our excellent relationship in the future.

Finally, I thank all of our people. I recognise that change can be unsettling and I have been impressed by their resilience and unwavering loyalty to focus on delivering the desired results.

Shane Pickering
Managing Director
Infinis Energy Management Limited

OUR BUSINESS AT A GLANCE

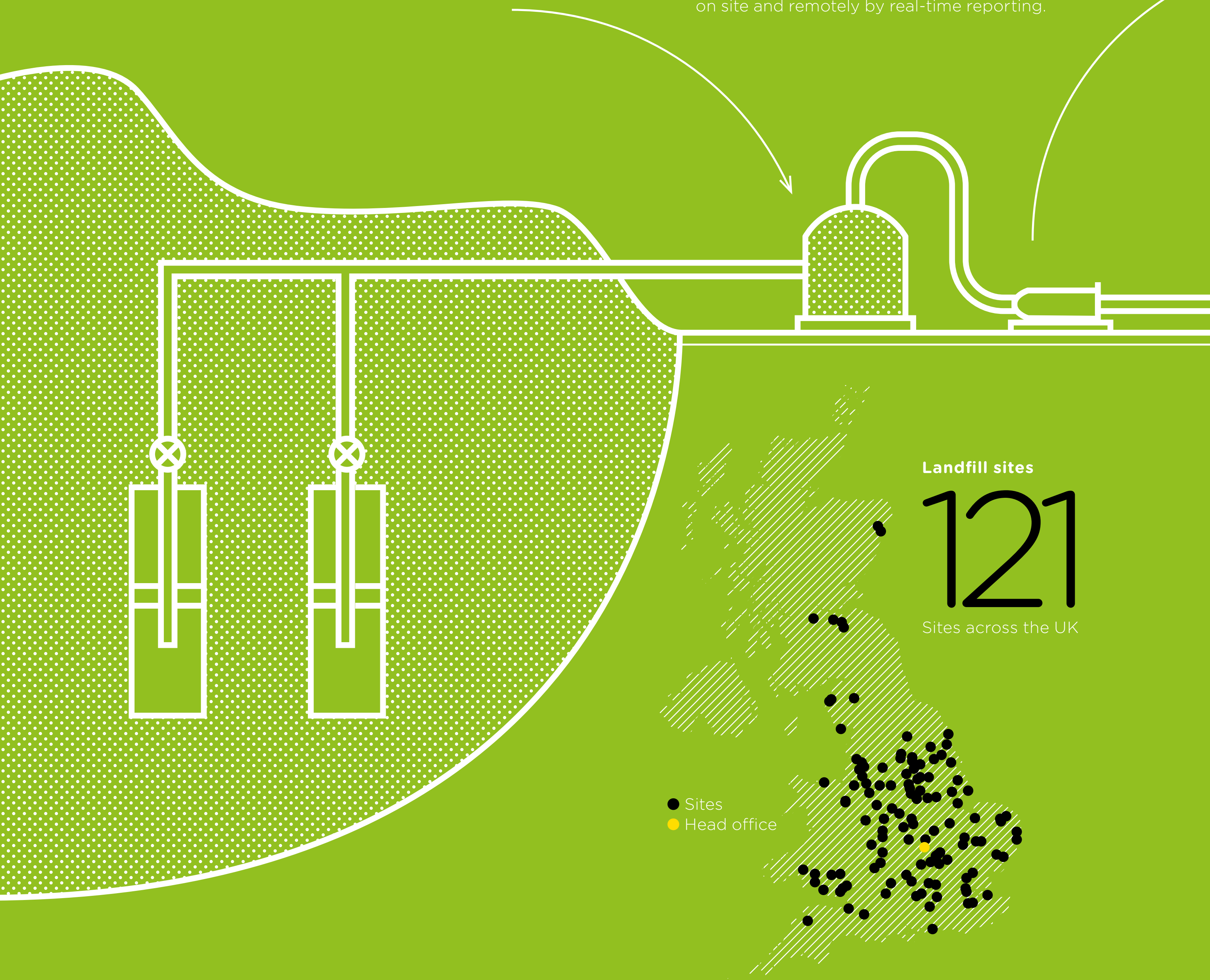
FROM THE GROUND TO THE GRID

1 **Landfill waste produces methane**

Biodegradable waste deposited into landfills breaks down to produce LFG. LFG is a mix of gases consisting predominantly of methane (57%) and carbon dioxide (43%). LFG also contains varying amounts of nitrogen, oxygen, water vapour, sulphur and other minor constituents, although these usually make up less than 1%,

2 **Infinis extracts the methane from the ground**

LFG production in a landfill site is a continuous process, and if left uncontrolled, the pressure build-up can cause gas to escape. LFG is extracted by drilling wells into the landfill site. LFG is 'sucked' out of the wells and into a network of gas collection pipes before being processed centrally at a gas plant. The volume and composition of LFG collected are monitored on site and remotely by real-time reporting.



647 million m^3

Annualised volume of landfill gas extracted in FY17
(Source: Infinis data)

3

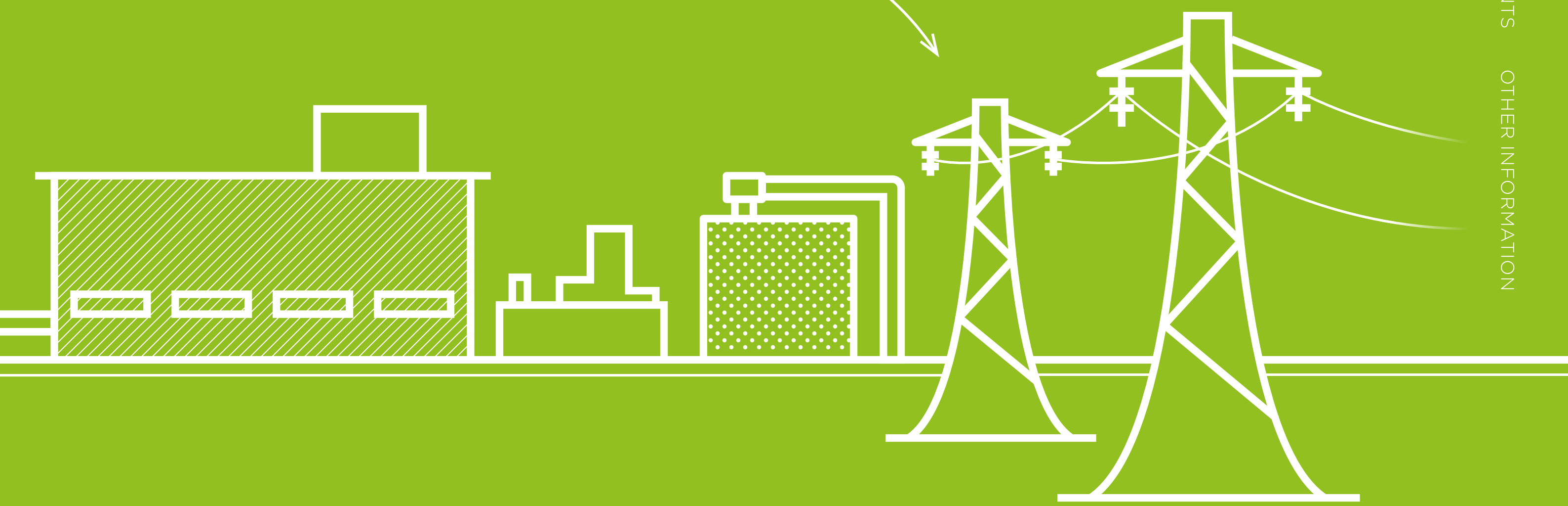
Infinis converts the methane to electricity

The most efficient way to dispose of LFG is through combustion and, therefore, LFG is an ideal fuel. The combustion process converts the harmful greenhouse gases (methane) into less harmful emissions (carbon dioxide). The LFG collected by Infinis is combusted in high performance reciprocating gas engines which drive alternators to generate electricity.

4

Infinis sells the electricity for consumption throughout the UK

The alternators are connected to the local electrical distribution network via transformers. The proximity of landfill sites to populated areas enables efficient energy transfer, reducing transmission losses and easing grid capacity problems.



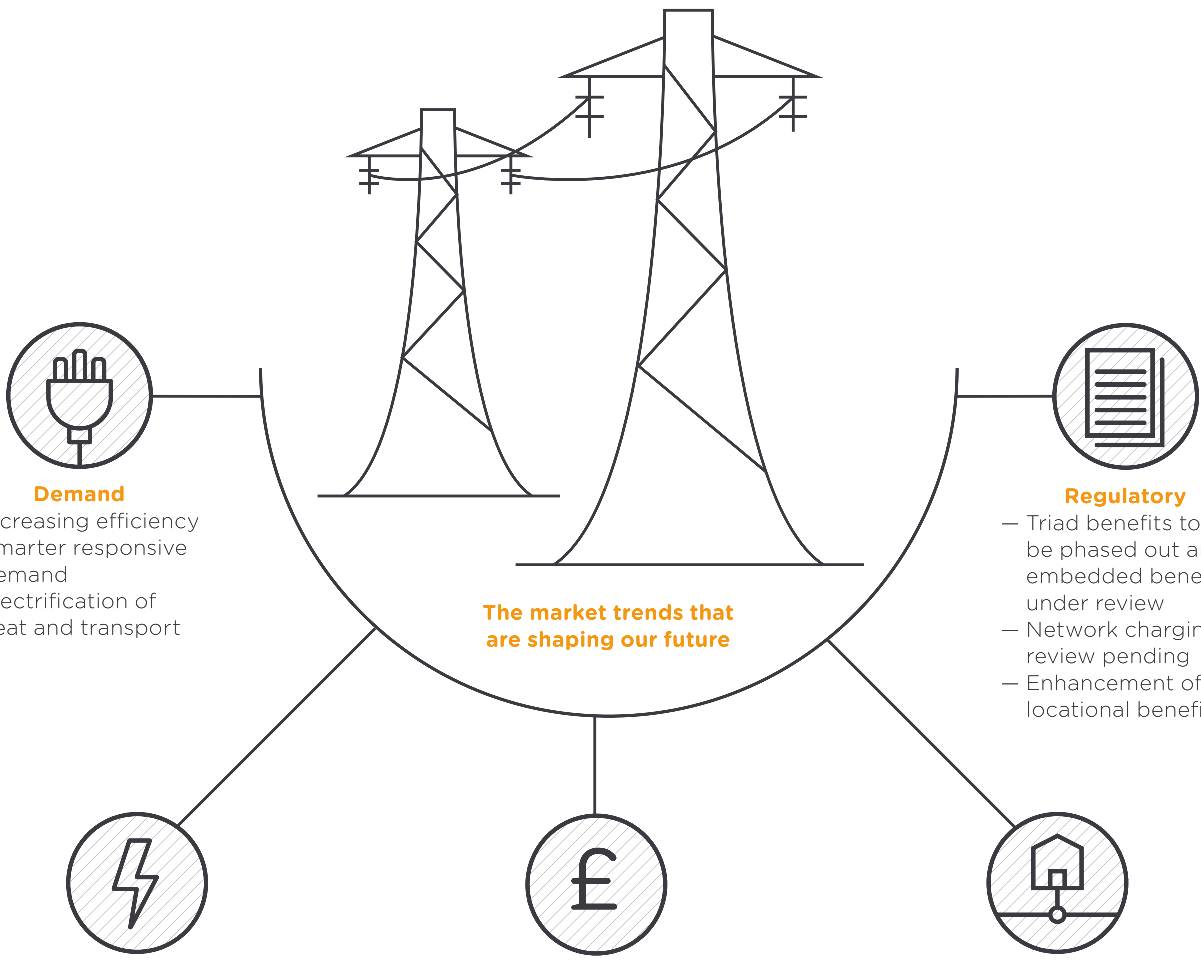
1,578 GWh

Total annualised power exported to the Grid in FY17
(Source: Infinis data)

MARKET REVIEW

EVOLVING WITH A CHANGING ENERGY MARKET

Infinis is a leading renewable power generator and the largest generator of power from LFG in the UK. Our power is supplied to a number of major offtakers.



The market trends that are shaping our future

Demand
- Increasing efficiency
- Smarter responsive demand
- Electrification of heat and transport

Regulatory
- Triad benefits to be phased out and embedded benefits under review
- Network charging review pending
- Enhancement of locational benefits

Supply
- Retirement of old thermal plant
- Tightening of reserve margin
- Intermittency in the supply mix from renewables

Electricity prices
- Increased volatility from intermittent supply and interconnectors
- More zero-marginal cost plant but tighter reserve margin provide competing price pressures

Network and users
- Increasing embedded capacity connected to distribution network
- Evolving markets for services to assist the growing challenge of balancing the system

The UK energy market is undergoing fundamental changes in both supply and demand and in energy distribution. This includes generation mix, technology development and the use of the networks which connect plant and customers. This change is occurring against the backdrop of a regulatory regime which has struggled to keep pace.

At the heart of regulation are three core objectives for energy policy: security of supply; de-carbonisation; and affordable power for consumers.

Demand

UK electricity consumption in 2016 was 303 TWh, similar to 2015 levels[1]. The broader trend in recent years has been one of declining demand, driven largely by efficiency measures as well as levels and type of industrial activity. Whilst future demand projections range widely, a trajectory of rising demand in the longer term is anticipated, driven largely by electrification of transport and heat[2].

Supply

Traditional thermal plant is being substituted for intermittent renewable capacity, which increases pressure on security of supply needs and fuels the growth of flexible generating plant, storage solutions and other technology developments.

In 2016 renewable electricity capacity (including LFG) was 34.7 GW, a 13.7% increase (4.2 GW) on the previous year mainly due to additional solar and onshore wind capacity[2].

Although renewables' share of electricity generation fell 1%p to 25.4% in 2016, normalised renewable generation, after accounting for weather variations, was 2%p higher than 2015 at 24.3%[2].

Thermal generation capacity has fallen in recent years (a 9.9 GW decline between 2012 and 2016) through a combination of market and regulatory factors, the decline comprising an 11.9 GW reduction in coal generating capacity offset by only a 2.0 GW increase in gas capacity. In 2016 coal represented 9.0% of electricity generation (2015: 22.3%)[2] and we have now seen a business day without any coal generation at all, reflecting the mounting economic pressure for early closure of coal plant[3].

Electricity prices

A number of market prices are quoted for electricity from short-term 'spot' prices to prices for long-term supply in future seasons. Infinis typically sells exported power at prices pre-agreed ahead of seasons of delivery. The power is sold under power purchase agreements with a range of major offtakers. During FY17 wholesale power prices trended upwards with the 30 day rolling average for day-ahead pricing increasing from £34.25 as at market close on 31 March 2016 to £41.72 at market close on 31 March 2017. Through forward contracting, the average selling price (ASP) for wholesale power achieved by Infinis during FY17 was £43.54.

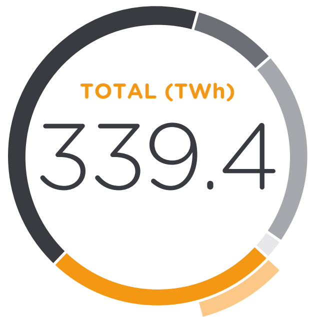
Increasing capacity from intermittent sources, and European interconnectors in particular, has fed into increased price volatility. During Winter 2016/17, the average day-ahead price for wholesale power increased to £50.84 (Winter 2015/16: £35.94) and the maximum day-ahead price to £165.00 (Winter 2015/16: £51.65). This promotes a premium for controllable, flexible and non-intermittent plant.

Networks and users

In line with the growth of renewables, the market is seeing an increase in the level of smaller so-called 'embedded' generation (EG). EG is connected to the distribution network of the electricity system at a local level, as opposed to the transmission network to which larger plant is connected, and has grown to an estimated 28 GW in 2016[4]. All of Infinis' portfolio of generating plant is connected to the distribution network as EG.

EG is not generally visible to the System Operator (National Grid) and is reflected in system metrics as negative demand. This reduces pressure on, and the need for reinforcement of, the transmission network and presents a cost-efficient source of capacity for the consumer. It also presents additional challenges to the System Operator in balancing the system. The creation of better functioning markets which are cost-reflective of the value of flexible, distributed generation as a substitute for directly controllable transmission-connected plant is work-in-progress for the System Operator. Further developments are anticipated in this area in the year ahead.

UK ELECTRICITY GENERATION



Renewables	25.4%
Bioenergy contribution to renewables	8.9%
Natural gas	42.3%
Coal	9.0%
Nuclear	21.1%
Other	2.2%

Source: DECC Energy Trends Section 5 (for the year ended 31 December 2016, published June 2017)

Regulatory

Regulatory change and the prospect thereof continues to challenge investor confidence in the UK energy sector.

Of particular relevance to Infinis is Ofgem's decision, published in June 2017, for a significant phased reduction of the value passing to embedded generators such as Infinis for power generated at particular occasions of peak demand (so-called 'triad' payments). Ofgem is also undertaking a significant code review. This review is expected to include a wider review of network charging and other benefits received by embedded generators.

Further changes to embedded benefits associated with transmission losses, which will take effect from April 2018, will favour generation located close to demand centres. This will result in an enhanced benefit to Infinis given the locational profile of our generating portfolio.

1 Source: Digest of UK-energy statistics 2017 (27 July 2017)
2 Source: BEIS, Energy Trends March 2017
3 Source: Guardian 22 April 2017
4 Source: Estimate, Cornwall Associates, January 2017

Note: This report refers to 2016 and 2015 as quoted sources only report for the calendar year and therefore no data is available for 2017

OUR BUSINESS MODEL

Together we shall grow Infinis into a more diversified energy portfolio, focused around our core expertise and strong platform, to create long-term value and a sustainable future.

Value enablers

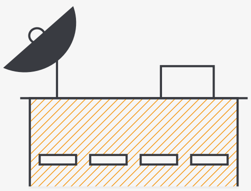
Our platform is built around the following major components:

INFRASTRUCTURE

We partner with landfill operators to produce electricity on our LFG sites across the UK. The proximity of landfill sites to populated areas enables efficient energy transfer, reducing transmission losses and easing grid capacity problems.

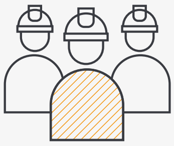
Through our 24/7 Northampton-based logistics centre, we provide round the clock environmental compliance monitoring for all our gas fields while optimising the performance of our generating plants.

Our Centre of Excellence in Lancaster houses a dedicated engineering team which ensures that our engine fleet (circa 300) is maintained to the highest standards.



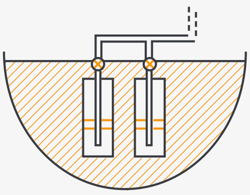
OUR PEOPLE

We believe we have a ‘winning’ company culture that encourages employees to thrive in an environment where excellence is recognised and rewarded. Central to this is our commitment to the health and safety of our workforce.



RELATIONSHIPS

Our approach relies on building mutually beneficial partnerships with a variety of interested parties such as landowners, landfill operators, local communities, regulators and power offtakers (our customers).

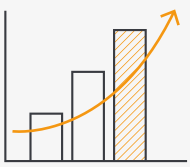


NATURAL RESOURCES

LFG is one of the naturally occurring products of decomposing organic matter in landfill sites. By utilising LFG to generate electricity we avoid the annual release of circa 0.5 million tonnes of methane into the atmosphere, which in terms of global warming potential is equivalent to 9.7 million tonnes of CO_2.

EXPERTISE

We are committed to offering our people the best training and development opportunities to ensure that they can operate at the highest level and that we retain the considerable in-house expertise that we have.



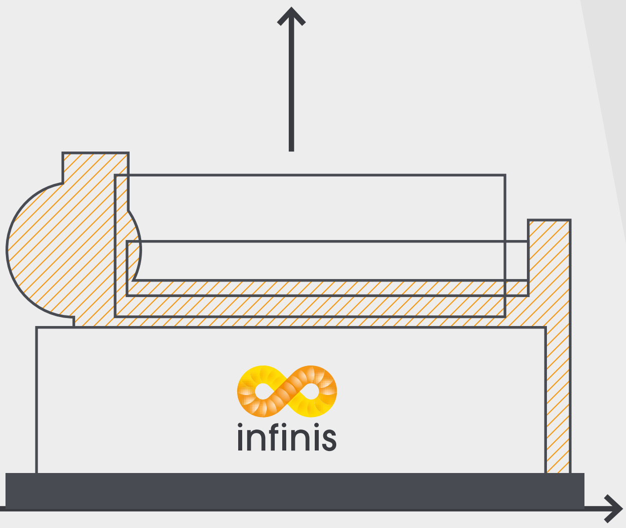
STRONG BALANCE SHEET AND FINANCIAL CAPABILITY

The business is financed through a combination of equity, an interest-bearing shareholder loan and third-party financing facilities.

Daily cash reporting, targeting and monitoring of customer receipts, plus review of cash flow forecasts and covenant compliance forecasts at every Board and executive performance review, are central to the way we work. Through working with 3i we maintain established relationships with a range of existing and prospective lenders.

Our value chain

GROWTH
Maintaining profitability and growing the business will require investment. The growth will be both organic, by exploring ways of utilising our core expertise, equipment and grid capacity to its full potential, and through acquisition opportunities.



Gas extraction
Infinis extracts LFG by sinking wells into a landfill site. The gas is then drawn into the well head and flows into a network of gas collection pipes. These wells are monitored on site and by real-time reporting to track the volume and composition of the LFG collected.

Conversion into electricity
Infinis' gas plants receive LFG from the network of collection pipes and remove the moisture. Gas composition is monitored on an ongoing basis. The LFG is then burnt in a gas engine which drives an alternator and electricity is generated.

Feed into grid
The electricity is then fed into the local electricity distribution network. The proximity of Infinis' landfill sites to populated areas enables efficient energy transfer, reducing transmission losses and easing grid capacity problems.

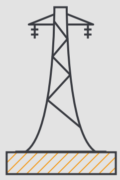
Outcomes and outputs

SHAREHOLDERS RETURNS
The strong and stable cash flows generated by our operating assets enable us to deliver shareholder value.

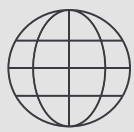
Revenue
Revenue is generated by selling electricity and the additional benefits of 'renewable' power production (such as renewable obligation certificates (ROCs)) to the market. As an embedded generator, the benefits or avoided costs of our offtakers are a further source of revenue.

Cash
Due to our highly predictable gas generating capabilities we are able to predict our cash flow reliably. Our ability to convert revenue to cash is a vital factor in our business.

Securing low-cost funding, carefully managing our cash flow and continued focus on operational excellence are essential to maintaining strong, sustainable returns for our shareholder and for providing the engine for reinvestment and growth.



CUSTOMERS
We are a leading supplier of renewable power and we have a small number of customers who are predominantly large and financially secure energy suppliers.



SOCIETY
We are proud to be one of the few UK companies with a net positive impact against the causes of climate change. By extracting gas from landfill sites we also fulfil an important role in helping waste management companies meet their environmental compliance obligations. We are committed to making a positive contribution to our local communities, building strong relationships and being a 'good neighbour' where we operate.

OUR STRATEGY AND KEY PERFORMANCE INDICATORS

Our strategy is to deliver strong, stable and predictable cash flows from our base LFG business. The cash flows enable investment in our organic pipeline and appropriate acquisition opportunities. Our KPIs are the way we monitor and track performance against that strategy.

STRATEGIC PRIORITY	OBJECTIVES	RISK	KPIs
High performance safety culture	— Maintain high standards for health and safety compliance and achieve zero RIDDOR incidents	3	**RIDDOR accident frequency rate** **Total recordable injury rate**
Relentless focus on operational excellence	— Build and maintain an outstanding reputation — Ensure profit targets and growth plans are met — Maintain, protect and safeguard assets — Maintain highest standards of environmental compliance	1 3 5 6 7	**Installed capacity (MW)** **Exported power (GWh)** **Reliability (%)** **Availability (%)**
High level of in-house commercial expertise	— Maximise the average selling price — Define and operate a clearly defined trading strategy — Maintain and renew land arrangements for operating sites	2 4 7	**Average selling price (ASP)**
Deliver strong financial performance	— Maintain stable and predictable cash flows — Ensure availability of funds to achieve business objective	1 2 3 4 5 6 7	**Revenue (£m)** **EBITDA before operating exceptional items (£m)** **Net debt (£m)**
Develop and invest in new growth opportunities	— Deliver appropriate development on schedule and within budget — Secure good value acquisitions and deliver them effectively and efficiently	5	**KPIs under review**

* These figures are annualised. Refer to the footnote on page 1 for further information

Key:

1. Lower than expected LFG output to meet targets
2. Loss or expiry of landowner leases
3. Compliance with regulations and corporate legislation
4. Macro-economic factors
5. Availability of funds to achieve business objectives
6. Business continuity and cyber risks
7. Counterparty risk

Read more about our principal risks and uncertainties on pages 15 to 17.

KPI DEFINITION	KPI MEASUREMENTS*	2016	2017
The measure of reportable injuries, diseases and dangerous occurrences for employees and contractors. Reported as the number of instances for every 100,000 hours worked	0.47 (2016: 0.42)	0.42	0.47
The combined measure of reportable, lost time and medical treatment injuries for employees	0.82 (2016: 0.84)	0.84	0.82
Total power production capacity	287 (2016: 301)	301	287
Total power sold	1,578 (2016: 1,725)	1,725	1,578
Run hours/adjusted dispatched hours	96.9 (2016: 96.4)	96.4	96.9
The amount of time our sites are available to generate	93.5 (2016: 93.8)	93.8	93.5
RO and NFFO revenue recognised in the period divided by exported power	88.63 (2016: 89.23)	89.23	88.63
Income from export of electricity and associated benefits	152.3 (2016: 166.3)	166.3	152.3
Earnings before interest, tax, depreciation, amortisation and operating exceptional items	88.0 (2016: 97.3)	97.3	88.0
External borrowings under the Senior Facilities Agreement (2016: Bond) net of cash.	241.3 (2016: 301.2)	301.2	241.3

STRATEGY IN ACTION

A DRIVE FOR EXCELLENCE

The 'Smart' approach: Mobile working and 'Fingertip'.

Delivering big data to the fingertips of the front-line teams will be transformational. Smartphones provide a mobile, simple and direct interface to our systems at the point of use.

We benefit from significant previous investment in IT systems and infrastructure, including Maximo (our asset management system) and SCADA (Supervisory Control and Data Acquisition).

The challenge

A key challenge that we face at Infinis is the effective management of our distributed workforce. We benefit from significant previous investment in IT systems and infrastructure, including Maximo (our asset management system) and SCADA (Supervisory Control and Data Acquisition). Maximising the return on this investment relies on optimising our people's interaction with these systems. One way of enabling this is the implementation of mobile working, whereby smartphone technology and mobile applications will be used to support key business processes in the field.

The opportunity

Delivering big data to the fingertips of the front-line teams will be transformational. Smartphones provide a mobile, simple and direct interface to our systems at the point of use, delivering:

— improved accuracy and speed of management information;
— increased productivity; and
— empowerment and higher workforce engagement.

A top priority for FY18 will be the completion of 'Project Fingertip', which will allow technicians to interact, simply and in real time, with Maximo from their smartphones.

What is Fingertip?

Fingertip is a mobile application that interfaces directly with Maximo, ensuring that front-line staff have the information they need for performance of their duties at the point of use and facilitating capture of information (such as time and materials needed to complete) at the time of the activity taking place.

Realising the benefits of Fingertip

The real-time nature of the data and the enhanced communication capabilities will lead to:

— improved diagnosis of and response to unscheduled events;
— improved decision making;
— smarter resource planning and improved resource utilisation; and
— simplified data entry, improved accuracy and reduced opportunity for error.

Other opportunities

The roll-out of smartphone technology to the field is acting as an important enabler for many other process improvements. A new, application-based, lone worker system has already been rolled out to those with current smartphone capabilities and many other key health and safety processes are lined up for development such as: daily vehicle checks; driver performance monitoring; reporting of accidents, incidents and Safety Observations; access to Safe Systems of Work; and adding risk assessments to work orders.

Access to SharePoint, our information sharing and storage platform, Skype and the full suite of MS Office 365 programs including OneDrive cloud storage, Word, Excel and PowerPoint are also on the horizon.

RISK MANAGEMENT

The aim of our risk management policy is to: improve decision making and increase the likelihood that the Group's objectives will be achieved; reduce the probability that damaging events will occur; and, if damaging events do occur, minimise their impact.

Approach to risk management

The Board has ultimate responsibility for the Group's system of risk management. Our approach to internal control is continuous, collaborative and designed to eliminate or manage the risk of failure to achieve the Group's objectives. The Board exercises oversight of the risk management process at Board and Audit Committee meetings twice per year.

The Board has delegated responsibility for the implementation of the risk management process to the SMT. The SMT consists of business function heads, details of whom can be found on pages 32 and 33. The SMT has functional day-to-day responsibility for risk identification, analysis and management.

The aim of our risk management policy is to:

- improve decision-making and increase the likelihood that the Group's objectives will be achieved;
- reduce the probability that damaging events will occur; and
- minimise the effects if damaging events do occur.

Risk management process

The LFG business acquired by 3i had a well-established risk management process that was embedded in management processes, responsibilities and culture. This process has been carried forward under 3i ownership. It is proactive and designed to instil the principles of the policy at functional level through a process of self-assessment and certification.

Each business function has responsibility for maintaining its own risk register to identify and manage risk. These registers identify: risks; inherent risk profiles before any mitigation; current controls and sources of assurance; residual risk profiles taking account of such mitigation; and any further planned control measures.

Business functions formally review the management of risks under their ownership and report to the SMT on a half yearly basis. The SMT reviews the functional risk registers for completeness, to identify any material events which have arisen since the last review, and to monitor agreed mitigation measures.

The individual functional risk registers are consolidated into a corporate risk register, through which key risks can be monitored and a consolidated risk report for the Group prepared, which the SMT reports through the Chief Financial Officer to the Audit Committee and the Governing Board, highlighting material changes in risk profile, any recent material events which have tested the risk management process and responses to those events.

In addition to the half yearly review of risk registers, the SMT considers each month whether any new risks have materialised or deteriorated. To ensure that understanding and managing risk is at the core of how we operate, results of the risk management process are embedded in the Group's systems and procedures where appropriate, and periodic briefings are made to our management team.

Internal control

The Group has a comprehensive system of internal controls which operates in parallel with the risk management process. The main elements of the Group's internal control system comprise:

- a well-defined governance structure within which the Group operates;
- clearly defined delegated levels of authority;
- documentation and communication of policies and key business processes;
- plans and annual budgets which will deliver the Group's strategy, supported by regular reporting of performance against these plans and budgets to the Board. This includes both financial and non-financial measures;
- promotion of an open culture;
- a culture of continuous improvement which ensures that we learn from any incidents or control weaknesses identified; and
- assurance arrangements to ensure that policies and procedures are adhered to.

The Board confirms that no significant failings or weaknesses have been identified in the Group's system of internal controls in the period ended 31 March 2017.

The table overleaf summarises the known principal risks and uncertainties facing the Group. Our business could be materially adversely impacted by any of these risks.

PRINCIPAL RISKS AND UNCERTAINTIES

The following key applies, with measurement against the assessment made at March 2016:

- (+) Risk assessed to have increased
- (›) Risk assessed to have stayed the same
- (−) Risk assessed to have decreased

RISK DESCRIPTION	MITIGATION	CHANGE
1 Lower than expected LFG output to meet targets		
Gas availability across our portfolio may decline faster than anticipated due to inaccurate estimates, changes in waste volumes (including early landfill site closure) or waste mix, resulting in lower revenues and impairment of the carrying value of assets. Weather may impact landfill gas production and/or extraction.	We have developed an in-depth understanding of the composition of gas field sites which enables us to take a data driven approach to forecasting gas output. We regularly challenge our forecasting assumptions and benchmark them against external third party data. Our estimates are updated at least annually in line with the annual reporting cycle to reflect latest waste volumes/mix and tipping plans provided by landfill operators. Our strong relationships with landfill operators enable us to understand how their activity may impact levels of waste and composition. We have a strong track record of forecasting available gas. Over the last five years output has varied between plus and minus 2% compared with budget. Infinis is the largest landfill gas generator in the UK, operating across a number of sites throughout the country. In the event of early closure of sites by a landfill operator, waste may be diverted to another site from which Infinis extracts LFG.	›
2 Loss or expiry of landowner leases		
We do not own any of our operating sites and are dependent on lease arrangements. Failure to renew expiring leases could result in a reduction in revenues. Failure to comply with existing lease terms could result in early termination resulting in a reduction in revenues.	To date we have a 100% success rate for lease renewals. We have an effective process for discharging payment obligations and monitoring expiries to enable us to engage closely with landowners.	›

PRINCIPAL RISKS AND UNCERTAINTIES CONTINUED

RISK DESCRIPTION	MITIGATION	CHANGE
3 Compliance with regulations and corporate legislation		
Infinis has to comply with various regulations and corporate legislation. This includes areas such as environmental licences and permits, health and safety regulations and corporate legislation. Our ability to remain compliant with relevant regulations and legislation is instrumental in continuing production.	We have dedicated compliance teams to monitor and ensure compliance with environmental obligations and permits, and health and safety requirements. We also have an experienced legal team responsible for ensuring compliance with relevant corporate legislation. Policies and procedures are aligned with compliance requirements. Our staff are trained in relevant requirements of regulations and legislation, including ongoing refresher training in key areas such as health and safety, to encourage a compliance culture throughout the organisation.	Stayed the same
4 Macro-economic factors		
Infinis is subject to a number of macroeconomic risks which are largely outside our control, the following being the key items:	Over the years, the UK has made several changes to the support mechanisms for renewable power but has adopted a consistent 'grandfathering' approach for RO entitlements throughout. There are no indications that this approach will change although there is a back-drop of rising potential market intervention, whether through price control or changes to network charging and embedded benefits.	Increased
Regulatory risk – We are dependent on regulatory support for our existing generating capacity, principally through the RO regime, for a significant proportion of our revenues. Changes in this support could have a material impact on our revenues.	In order to mitigate regulatory risk we ensure that we have close working relationships with industry trade bodies to remain informed and to influence decisions.	
Pricing risk – A significant proportion of revenue derived from RO sales is dependent on wholesale power prices which have been volatile.	RO sales are fixed price and rise each year in line with inflation. In order to mitigate against wholesale power pricing risk we have developed a documented trading strategy which has been endorsed by the Board and considers forward contracting and index-linked agreements among other pricing strategies. A significant proportion of our cost base is linked to the revenue we earn and therefore provides a natural hedge against pricing risk in this manner.	
Interest rate risk – Borrowings linked to variable interest rates render our cost base more volatile.	We have a documented hedging policy for interest rates and our borrowings are currently fully hedged.	
5 Availability of funds to achieve business objectives		
To retain our debt funding we are required to ensure that we do not default on current facilities.	We closely monitor compliance with our financing facilities on both an actual and a forecast basis. The Board reviews covenant compliance on a routine basis.	Decreased
In order to grow the business, Infinis requires funding to support internally generated and acquisition-based growth ambitions.	We have regular engagement and dialogue with current and future lenders to ensure that financing options are understood and assessed. Our shareholder has significant experience in financing and banking to support these activities.	

The following key applies, with measurement against the assessment made at March 2016:

- Risk assessed to have increased
- Risk assessed to have stayed the same
- Risk assessed to have decreased

RISK DESCRIPTION	MITIGATION	CHANGE
6 Business continuity and cyber risks		
Adverse events such as weather, fire or explosion may impact our production and operations. There are also potential reputational and financial losses from responding to any adverse business continuity events.	While every site upon which we operate is important to us, our geographical spread across 121 landfill sites generally provides a natural diversification for this risk. Our operations are, however, monitored and controlled centrally from our 24/7 logistics centre at our office in Northampton, which also contains centralised billing and payment functions alongside a number of other centralised business-critical services. We have developed a full and comprehensive business continuity plan for the Northampton office, the key aspects of which are subject to regular testing. This includes an of-site facility to which our logistics centre is able to relocate in the event of a disaster and we have a cloud-based IT recovery facility to ensure continuation of our operations.	+
Malicious cyber attacks on our IT infrastructure and core systems may impact operational performance and could result in consequential costs or losses.	We continue to benchmark our IT infrastructure against threats of malicious attack and security breaches, using expert third parties to support us, and continually seek improvements to the robustness of our systems and recovery times in the event of failure.	
7 Counterparty risk		
We sell our generation output and related products to a small number of UK counterparties under a variety of contractual arrangements. Failure of a counterparty to honour a contract may result in loss of revenue for power already delivered or for power not yet delivered, and a loss of future revenue where we are unable to enter into a replacement contract with another counterparty.	We enter into contracts with creditworthy counterparties and continue to seek to add additional counterparties to reduce concentration risk. Additional credit support (e.g. parent company guarantees and/or letters of credit) is required from counterparties which fail to meet agreed credit rating criteria. We maintain a strong focus on working capital management which ensures that any potential loss from power already delivered is minimised.	>

The following key applies, with measurement against the assessment made at March 2016:

- + Risk assessed to have increased
- > Risk assessed to have stayed the same
- − Risk assessed to have decreased

OPERATIONAL AND FINANCIAL PERFORMANCE

Due to the unusual nature of the statutory financial statement period, the narrative in this review covers the results for the year ended 31 March 2017 with comparative figures. We believe that this provides stakeholders with clearer and more meaningful information on the results of the operating entities and their relative performance.

Statutory overview

Statutory revenue was £55.3 million and statutory profit before tax was £2.0 million for the period ended 31 March 2017. The statutory results reflect performance only from 8 December 2016, the 'acquisition date', to the year end.

The Infinis Group has, however, been in existence since 2006 and was previously consolidated in the group accounts of Infinis Energy Limited. Due to the unusual nature of the statutory financial statement period the narrative in this review covers the results for the year ended 31 March 2017 with comparative figures. This excludes the impact of any fair value adjustments on acquisition, the amortisation arising from the additional intangibles recognised and the tax thereon. We believe that this provides stakeholders with clearer and more meaningful information on the results of the operating entities and their relative performance. The adjacent table reconciles the statutory results to the annualised results for the year ended 31 March 2017.

Financial performance

Summary Group income statement	Results for the period from 1 April 2016 to 7 December 2016 £'m	**Statutory results for the period ended 31 March 2017 £'m**	Impact of acquisition accounting £'m	Annualised results for the year ended 31 March 2017[1] £'m	Annualised results for the year ended 31 March 2016[1] £'m
RO revenue	93.2	**45.4**	–	138.6	149.2
NFFO revenue	1.1	**0.1**	–	1.2	4.8
Other revenue	2.7	**9.8**	–	12.5	12.3
Group revenue	97.0	**55.3**	–	152.3	166.3
Operating expenses	(35.6)	**(19.9)**	–	(55.5)	(60.9)
Gross profit[2]	61.4	**35.4**	–	96.8	105.4
Administrative expenses	(5.1)	**(3.7)**	–	(8.8)	(8.1)
EBITDA before operating exceptional items[3,4]	56.3	**31.7**	–	88.0	97.3
Operating exceptional items[4]	–	**(5.0)**	–	(5.0)	–
Depreciation and amortisation	(25.0)	**(17.0)**	4.6	(37.4)	(41.6)
Operating profit	31.3	**9.7**	4.6	45.6	55.7
Underlying net finance costs	(15.7)	**(10.3)**	–	(26.0)	(25.5)
Exceptional finance costs	–	**2.6**	(11.6)	(9.0)	–
Net finance costs	(15.7)	**(7.7)**	(11.6)	(35.0)	(25.5)
Profit before tax	15.6	**2.0**	(7.0)	10.6	30.2
Tax	(2.7)	**(0.8)**	1.7	(1.8)	(4.6)
Profit for the year	12.9	**1.2**	(5.3)	8.8	25.6

1 The FY16 annualised results represent the performance of the LFG entities acquired by 3i as reported under the previous parent company of the LFG business, Infinis Energy Limited. The FY17 annualised results reflect the trading performance had the acquisition occurred on 1 April 2016, excluding the impact of any fair value adjustments arising on acquisition, the amortisation arising from the additional intangibles recognised and the tax thereon

2 Gross profit is stated as after depreciation in the statutory accounts

3 Earnings before interest, tax, depreciation, amortisation and operating exceptional items

4 Non-GAAP measure

Exported power

Infinis is the UK market leader in producing electricity from LFG. In 2017 we exported 1,578 GWh of electricity from LFG sources (2016: 1,725 GWh). This is equivalent to 2.5%[1] of total UK generation from renewable sources. The decline in output of 8.5% was primarily due to the natural decline in LFG on the sites upon which we operate and is part of our operating model.

Revenue

Revenue for the financial year was £152.3 million, a decrease of £14.0 million on the prior year. Revenue is predominantly generated under the RO regime and this totalled £138.6 million (2016: £149.2 million). Other income (embedded benefits and triad income) increased marginally to £12.5 million from £12.3 million. Embedded benefits are received from electricity suppliers and arise from being part of the distribution network. Triad income corresponds to the three 30 minute time periods with the highest energy demand across National Grid between 1 November and 28 February each year and contributed £8.5 million (2016: £7.1 million).

The LFG collected by Infinis is combusted in high performance reciprocating gas engines which drive alternators to generate electricity.

A key driver of our performance is the ASP[2] received from the sale of electricity and this decreased marginally by £0.60/MWh from £89.23/MWh to £88.63/MWh. The ASP includes amounts recognised from sales made under the RO and NFFO schemes. An element of RO income, known as recycled ROC[3], is estimated during the current financial year but the final value is not known until the following year when Ofgem announces the final associated price. For the financial year ended 31 March 2017 we have accrued £1.39/MWh (2016: £nil/MWh) for recycled ROC.

The decrease in revenue of 8.4% was driven by a decline in volume of £13.1 million and a decline in price of £0.9 million. The price movement includes the adverse impact of the removal of Levy Exemption Certificate revenue from 1 August 2015, which contributed revenue of £2.6 million in 2016, and the impact of lower power prices, partly offset by higher recycled ROC revenue recognised in the year. We have continued the transition from NFFO to RO contracts, with the proportion of sales under RO contracts increasing from 93.6% to 98.3%.

Operating expenses

Operating expenses were £55.5 million, a decrease of £5.4 million on the prior year, reflecting the active management of costs in line with generation. Underlying gross profit margin remained broadly static at 60.8% (2016: 61.4%) after adjusting for one-off credits of £4.2 million (2016: £3.3 million) recognised during the year.

1 Ofgem Renewables and CHP Register MWH generated in 2016 (latest available figures). The numbers are based on Jan-Dec 2016, not the compliance period, which runs from April to March

2 Average Selling Price (ASP): Defined as annualised RO and NFFO revenue recognised in the period divided by exported power

3 An element of ROC revenue, known as the recycled element, is received following the publication of the recycle price by Ofgem. We estimate the value of the recycled ROC during the financial year. When Ofgem subsequently announce the value of the recycled ROC, which normally occurs during the October following the financial year end, any difference between the amount announced and our estimate will give rise to an 'out of period' variance

OPERATIONAL AND FINANCIAL PERFORMANCE CONTINUED

Administrative expenses
Administrative expenses were £8.8 million, an increase of £0.7 million on the prior year. For the whole of FY16 and to the date of acquisition these costs represent an allocation of costs incurred by the Infinis Energy Group. Thereafter these are the administrative costs of the acquired business.

EBITDA
Despite the reduced generation, Infinis delivered a resilient financial performance with EBITDA before operating exceptional items of £88.0 million, a decrease of £9.3 million on the prior year. The EBITDA margin[1] was 57.8%, 0.7%p lower than the prior year of 58.5%.

Operating exceptional items
Operating exceptional items were £5.0 million (2016: £nil) and relate to third party professional fees incurred in relation to the acquisition of the Infinis Group.

1 EBITDA before operating exceptional items expressed as a percentage of revenue

Depreciation and amortisation
The depreciation and amortisation charge of £37.4 million was £4.2 million lower than the prior year charge of £41.6 million. The reduction in the overall charge was primarily due to certain assets being fully depreciated and accelerated depreciation on certain LFG assets recognised in the prior year.

Net finance costs
Prior to the acquisition of the Infinis Group, Infinis Energy Management Limited, a direct subsidiary of Infinis Energy Group Holdings Limited, entered into a £276.7 million finance facility for a term of five years at an average interest rate of 3.485%. On 14 February 2017 Infinis Energy Management Limited drew down on the new facility, with the proceeds and existing cash used to repay the £350.0 million 7% Senior Notes (the 'Bond') of Infinis Limited. The new facility is secured against the assets of the LFG business and carries an initial interest cost of 3.115% for 24 months, increasing to 3.365% from February 2019, then 3.715% from February 2020 and 4.115% from February 2021. The facility includes scheduled debt repayments during the five year term with the balance due for repayment in February 2022.

Net finance costs increased by £9.5 million to £35.0 million (2016: £25.5 million) of which £9.0 million related to exceptional finance costs arising from the early repayment of the Bond. The exceptional finance costs comprise an early redemption fee (£6.1 million), write-off of the unamortised loan costs associated with the issue of the Bond in 2013 (£2.4 million) and a commitment fee paid on the new facility from inception to draw down (£0.5 million). The remaining increase of £0.5 million is due to interest on the related party loan of £150.0 million, partly offset by the interest rate saving on the new bank facility (refer to Capital resources for further information).

Tax
The Group's underlying tax charge of £1.8 million (2016: £4.6 million charge) comprised a current tax charge of £5.8 million (2016: £9.7 million charge), offset by a deferred tax credit of £4.0 million (2016: £5.1 million credit).

The underlying effective tax rate of 19.6% (2016: 21.1%) was lower than the standard UK rate of Corporation Tax of 20% (2016: 20%) as not all of the Group's income and capital expenditure qualifies for tax relief. The exceptional professional fees

The newly established SMT is committed to regular honest and effective communication which will be key to ensuring employee buy-in as we realise our ambitions for growth.

of £5.0 million relating to the acquisition are not expected to qualify for tax relief. Excluding the impact of such items, the effective tax rate was 20.1%.

The FY17 underlying tax charge has been impacted by the 2016 Budget changes to further reduce the mainstream rate of corporation tax to 17% from 1 April 2020 (previously 18% from 1 April 2020 as enacted by the 2015 Budget) and this change has resulted in a tax credit of £1.0 million to reduce the Group's deferred tax liabilities.

The Group has deferred tax liabilities in respect of its intangible and tangible assets as the accounting net book value of these assets is greater than the tax value. As the Group continues to amortise/depreciate these assets, there is a reduction in the difference between future taxable profits and future accounting profits. This results in a deferred tax credit to the income statement.

Statutory results

The Group's statutory revenue of £55.3 million for the period from the acquisition date to the year end was in line with expectations. Power exported during this period was 513 GWh. EBITDA before operating exceptional items was £31.7 million, a margin of 57.3%. The Group's operating profit was £9.7 million after third party professional fees of £5.0 million in relation to the acquisition of the Infinis Group, and the impact of a higher amortisation charge of £4.6 million as a result of the intangible assets recognised on acquisition and the values thereof.

Underlying net finance costs of £10.3 million comprised interest on the Bond incurred until repayment and interest of the new bank facility thereafter, together with interest on the £150.0 million related party loan. Exceptional finance income of £2.6 million was the difference in the carrying value of the Bond and the redemption amount paid to settle the liability, offset by the early redemption fee payable on settlement of £6.1 million and the commitment fee of £0.5 million payable on the new bank facility.

The effective tax rate on the statutory results of 39.3% was higher than the standard UK rate of Corporation Tax of 20% primarily because the operating exceptional costs of £5.0 million and exceptional finance credit of £2.6 million are not eligible for tax relief or taxable. Excluding the impact of these items the effective tax rate was 18.2%.

Capital resources

The Group had previously issued a £350.0 million 7% Bond, secured on the LFG assets, maturing in February 2019. The Bond was repaid on 14 February 2017 and was effectively replaced by the new £276.7 million finance facility. The new facility matures on 13 February 2022 with bi-annual capital repayments (due on 30 September and 31 March). The final repayment of £154.4 million is due on maturity. The new bank facility attracts interest at an average rate 3.485% with the interest fixed using interest rate swaps.

In addition to the new bank facility, on 6 December 2016, Infinis Energy Group Holdings Limited issued £150.0 million interest bearing subordinated unsecured loan notes to 3i LFG Holdings Limited, the parent company of its immediate parent company 3i LFG Topco Limited. The loan notes are due for repayment in 2045 and attract interest at a rate of 8%, payable at half yearly intervals on 30 June and 31 December. The loan notes were listed on the Channel Islands stock exchange (TISE) on 9 June 2017.

Going concern

Having made enquiries, the Directors consider that the Company and its subsidiaries 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. The Directors consider that a robust going concern assessment process was undertaken and the results were discussed and challenged by the Audit Committee.

Liquidity risk, the risk that the Group will have insufficient funds to meet its liabilities, is managed by the Group's Treasury function. The Group can experience significant movements in its liquidity position due to movements in power prices and working capital requirements. Treasury is responsible for managing the banking and liquidity requirements of the Group, risk management relating to interest rate risk, and managing the credit risk relating to the banking counterparties with which it transacts, including ensuring compliance with any banking covenants. Short-term liquidity is reviewed daily by Treasury, while the longer term liquidity position is reviewed on a regular basis by the Board.

In relation to the Group's liquidity risk, the Group's policy is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Based on management forecasts and committed bank facilities with no near term maturing dates, the Group considers it has adequate headroom and will continue to meet liabilities as they fall due.

Approval

The Strategic report from pages 2 to 29 was approved by the Board of Directors on 24 August 2017 and signed on its behalf by:

M D Holton
Director

CORPORATE AND SOCIAL RESPONSIBILITY

Looking after our people, neighbours and the wider environment has always been central to what we do at Infinis.

Andrew Leeding
Head of Health, Safety, Quality and Environmental Compliance

"WE BELIEVE THAT CSR ACHIEVES ITS MAXIMUM POTENTIAL WHEN IT IS FULLY EMBEDDED WITHIN DAY-TO-DAY BUSINESS."

Ultimate accountability for corporate and social responsibility (CSR) at Infinis lies with the Board. The Board and SMT review all areas of CSR monthly, including key performance indicators and progress against targets, with a detailed management review undertaken quarterly. The Head of Health, Safety, Quality and Environmental Compliance (HSQ&EC) has responsibility for driving forward our sustainability performance, and reports, through the Managing Director, to the Board.

We believe that CSR achieves its maximum potential when it is fully embedded within day-to-day business. Health, safety and environmental issues are the first item on meeting agendas, from the Board down to site team meetings. We work with our teams across the business, continually encouraging contributions to improve performance from all employees and contractors. All employees are incentivised to focus on these issues as bonuses are only paid if the business meets an ambitious set of health, safety and environmental (HS&E) standards.

To further embed our HS&E commitments, we created an Employee HS&E Committee which considers relevant issues and gives feedback to managers.

The sectors in which we operate are highly regulated. Consequently each of our sites requires at least one, and usually more, consents or permits to operate. Our processes are designed to meet all of the requirements of these consents and permits and, with diligence and tenacity, we have built a strong compliance track record.

Health and safety

Health, safety and environmental regulation and enforcement

Over the last three years Infinis has received no health and safety enforcement notices and just one Warning Letter from the Environment Agency (EA). The Warning Letter was issued in relation to damage caused to an engineered landfill containment system during the installation of gas wells at Staple Quarry landfill site in December 2014. The damage was remediated in line with the agreed methodology and there was no evidence of any subsequent adverse environmental impact as a result of the incident.

Performance summary

Period	Number of health, safety and environmental Civil Sanctions[1]
FY17	0
FY16	0
FY15	0

[1] Includes Fixed Penalty Notices, Formal Cautions and Prosecutions

Period	Number of health, safety and environmental Warning Letters and Notices
FY17	0
FY16	1[2]
FY15	0

[2] Staple Quarry – date of enforcement outcome received: 24/04/15

Figures are annualised and have been prepared as if the acquisition of the LFG business by 3i had taken place as at 1 April 2014

Health and safety management

The highest priority for our business is the health and safety of our people, and those who may be impacted by our activities.

Board level responsibility for health and safety lies with the Managing Director, supported by the Head of HSQ&EC. The Infinis Executive team regularly reviews objectives and targets. Our health and safety policy, which is communicated to all employees, is available at www.infinis.com.

We believe that health and safety is embedded within the Infinis culture. This is evidenced as follows:

— We have adopted and openly communicate the principle *"If you can't do it safely, don't do it"*;
— We focus on reporting Safety Observations (positive and negative) and investigating Near Misses. To achieve this, we encourage reporting by committing £25 to our charity donations for each Safety Observation reported;
— We pay elements of bonuses to appropriate employees based on health and safety performance;
— We formally train our staff on safety management, including senior staff. This includes mandatory training, two days for staff and contractors working on our sites and four days for supervisory staff.

To further support and enhance the safety culture within Infinis we have maintained our focus on behaviour based safety throughout FY17, introducing and promoting '10 Golden Safety Rules' as well as producing 'Guiding Principles for Safety Leadership'.

As far as practicable, we seek to reduce the risks on our sites through good design and maintenance, with safety rules and training put in place to cover any residual risks. In FY17, we undertook a thorough, evidence based review of our Personal Protective Equipment (PPE) policy and introduced a new, enhanced lone worker system. Through this approach we are seeking continuous progress on our journey to achieve zero accidents.

Health and safety performance

As a result of these very high standards and relentless focus, we have a strong performance in health and safety.

"THE HIGHEST PRIORITY FOR OUR BUSINESS IS THE HEALTH AND SAFETY OF OUR PEOPLE AND THOSE WHO MAY BE IMPACTED BY OUR ACTIVITIES."

BRITISH SAFETY COUNCIL International Safety Awards 2017 Winner

2017 RoSPA Gold Medal Award

We formally train our staff in safety management, including senior staff. This includes mandatory training, two days for staff and contractors working on our sites and four days for supervisory staff.

CORPORATE AND SOCIAL RESPONSIBILITY CONTINUED

Our ultimate aim is zero RIDDOR[1] incidents. This is a challenging objective that we continue to strive for. Our health and safety performance is summarised in the tables and charts on this page.

Our achievements in this area have been recognised by expert organisations. In FY17 we were awarded the Royal Society for the Prevention of Accidents (RoSPA) Gold standard for the ninth year running and the British Safety Council's International Safety Award for the eighth year in a row.

The number of RIDDOR reportable incidents and the associated RIDDOR Accident Frequency Rate (AFR) for FY17 increased slightly from FY16. However, the total number of incidents and the AFR remained low at only four and 0.47 respectively. We also closely monitor additional, complimentary performance indicators such as Total Recordable Injury Rates (TRIR) to provide a rounded view of our health and safety performance.

The environment

Generating renewable electricity, with its positive environmental impacts, is our core business.

LFG

LFG predominantly consists of methane (57%) and carbon dioxide (43%). Methane is 21 times more harmful than carbon dioxide (CO_2) as a greenhouse gas. We generate the vast majority of our electricity by converting methane and atmospheric oxygen into carbon dioxide and water through combustion, thereby preventing methane generated from landfill waste from entering the atmosphere. Through this we avoid the annual release of in excess of 450,000 tonnes of methane, which in terms of global warming potential is equivalent to 9.7 million tonnes of CO_2[2]. This number reduces as available LFG on our sites falls.

Approximately 5% of the electricity we generate is used to power our engines and related facilities.

We use fossil fuel (diesel and petrol) in the vehicles we use to travel to and from our sites.

Our role in climate change mitigation

We are proud to be one of the few UK companies with a net positive impact against the causes of climate change.

Our contribution to the reduction in UK greenhouse gas emissions has two main components: operational carbon footprint and, as explained above, positive climate impact made through the capture and destruction of methane and the generation of clean electricity. Using only relatively small amounts of energy ourselves, we estimate the net climate impact from our business was positive by over 9.7 million tonnes of CO_2[2] equivalent in FY17.

Year	Carbon intensity of operations (g CO_2 equivalent emission per kWh generated)
FY17	1.7
FY16	1.3
FY15	1.3

Since FY15, we have purchased all of our import power from EDF under its Blue for Business scheme which is purchased from EDF's nuclear power stations and is, therefore, considered zero emission.

Waste

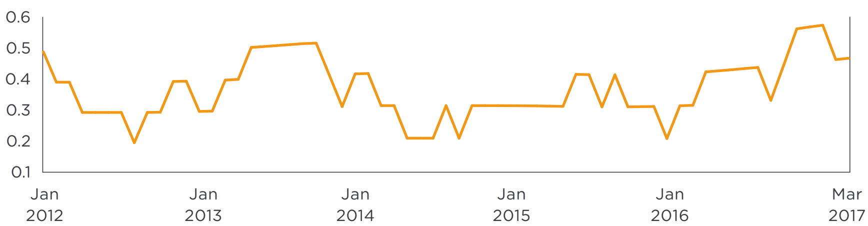
Our operations generate relatively little waste. Nevertheless we continue to work to reduce, reuse or recycle the waste we do generate, such as lubricating oil, engine parts and general office waste.

Our most significant category of waste, and our main focus in responsibly reducing waste, is lubricating oil. We do what we can to reduce the use of this oil. Over a number of years we have worked closely with oil suppliers to develop optimum oil blends for the harsh conditions within an LFG engine. As a result, our oil use efficiency and engine reliability have improved. We also piloted and adopted a system to clean and reuse the oil in our transformers when it does not meet our required technical specifications, rather than dispose of it. Over the last three years Infinis' levels of oil consumption have fallen by nearly 12% from 2.6 million litres in FY15 to 2.3 million litres in FY17. Innovations like this are essential to reducing our overall environmental impact and benefit our operating and financial performance.

Notwithstanding these initiatives, a minimum level of lubricating oil is required to ensure the performance and efficiency of our LFG engines. After use, we sell our lubricating oil to a specialist company which, after processing, sells the majority of it as a lower grade lubricating oil. The rest is used for fuel by a third party.

Health and safety performance

12-month rolling ('RIDDOR') accident frequency rate



RIDDOR accident frequency rate

FY17		
0.5	FY16	0.4
	FY15	0.2

RIDDOR reportable incidents

FY17		
4	FY16	5
	FY15	2

1 Reporting of Injuries, Disease and Dangerous Occurrences Regulations

2 Calculated by Infinis on the amount of methane captured then destroyed and the amount of renewable electricity generated (assuming that it displaces generation of average carbon intensity from the electricity grid) net of our operational carbon footprint

Figures are annualised and have been prepared as if the acquisition of the LFG business by 3i had taken place as at 1 April 2014

Managing our environmental impact

In addition to our efforts to reduce oil waste, we have undertaken a number of initiatives which save on the energy we consume, including:

— Company cars with the lowest Vehicle Excise Duty bands (which are determined by CO_2 emissions);
— On-site campaigns to promote energy savings throughout the business;
— Operating a central resource planning function to optimise the efficiency of site visits and fleet journeys;
— Promoting telephone conferences and on-line meetings as an alternative to business travel; and
— Recycling and shredding facilities in our Northampton office.

Integration and performance

Stakeholder engagement – Working with "our neighbours"

We believe that central to our success is the building and maintenance of strong and mutually beneficial relationships. We recognise that working with neighbours, organisations and others who may be impacted by our activities is the right thing to do, helps us remain focused on our corporate responsibilities and ultimately benefits our performance.

Working with suppliers, contractors and partners

Working closely with our suppliers, contractors and business partners, we aim to establish long-term relationships. As the health and safety of our colleagues, and those who may be impacted by our activity, is a top priority for our business, we hold all such third-parties to the same ambitious standards of HS&E as we hold ourselves.

We also aim to reduce our indirect impact, and have evaluated the level of risk across our value chain. The principal goods and services procured by the business continue to be almost exclusively supplied by the developed economies of Europe or North America and little of our supply chain spend is outside of these economies, representing minimal levels of social or environmental supply chain risk. Our anti-slavery statement, which can be found on our website, outlines our approach to meeting the provision of the UK's Modern Slavery Act.

Wider community engagement

At Infinis, we see our neighbours as key partners in ensuring sustainable development. We are committed to making a positive contribution to our local communities, to building strong relationships and being a 'good neighbour'. This effort to make a positive impact is supported through regular charity contributions.

Our charity contributions programme is the Infinis 'Charity Challenge'. Running since 2008, this provides support for charities and good causes nominated by employees. As mentioned in our health and safety section, for each Near Miss or Safety Observation reported, the Company makes a £25 donation to the challenge fund.

The Charity Challenge is an innovative programme in three ways:

— It embeds our community investment strategy into our wider sustainability and business objectives;
— It sends a clear message on the importance of Safety Observation reporting, successfully increasing the number of reports from employees; and
— It creates a sense of employee ownership and engagement with community programmes which is why we focus our charity support on employee nominations.

Since its inception the Charity Challenge has supported well over 100 charities across the UK with a total sum raised of over £150,000. Our employee nominated charities have included the Birmingham Children's Hospital, British Heart Foundation, Willen Hospice, Tiny Tim's Children Centre and the Motor Neurone Disease Association.

In FY17 all staff at Infinis were first asked to nominate and then vote to select the Company's charity of the year. Through this process we selected Camp Quality, a UK charity which arranges free holidays for children with potentially life-limiting illnesses. This year we expect to raise in the region of £10,000 for this deserving cause.

We are proud of our Charity Challenge scheme and the contributions it has made to charitable causes so far.

		Operational carbon footprint (tonnes of CO_2 equivalent[3])		
Scope[1]	Type[2]	**FY17**	FY16	FY15
1	Road mileage for our company vehicles	**1,695**	1,816	1,907
2	Electricity and fuels we purchase to run our business (offices and sites)	**2,770**	2,391	2,604
3	Road mileage in employee owned cars on company business	**308**	322	331
3	Business travel (e.g. flights)	**3**	8	9
Total		**4,776**	4,537	4,851

1 Scope 1, 2 and 3 are as defined in the internationally accepted Greenhouse Gas Protocol (www.ghgprotocol.org)
2 We have reported on emission sources required under the Companies Act 2006 (Strategic report and Directors' Reports) Regulations 2013. We have used the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) and emission factors from UK government's GHG Conversion Factors for Company Reporting 2014. Our calculations reflect all our business operations except emissions associated with head office, where services are provided by others and are regarded as de minimis
3 We offset much of our operational impact by not claiming ROCs equivalent to the amount of electricity imported. This results in a net operational carbon footprint of 2,770 tonnes of CO_2 equivalent in FY17

Figures are annualised and have been prepared as if the acquisition of the LFG business by 3i had taken place as at 1 April 2014

CORPORATE AND SOCIAL RESPONSIBILITY CONTINUED

John Okninski
Head of HR

"OUR DIVERSITY POLICY IS DESIGNED TO ENSURE THAT WE RECRUIT, DEVELOP AND PROMOTE EMPLOYEES BASED ON PERFORMANCE REGARDLESS OF RACE, GENDER, RELIGION OR BELIEF, MARITAL STATUS, AGE, CULTURE, SEXUAL ORIENTATION, DISABILITY OR BACKGROUND."

Our people

Cultural focus on success

Our culture remains geared towards the success of both the business and the individuals within it. People are committed to the organisation's goals. This desire to succeed is reinforced by an environment where people know that their personal and collective efforts will be recognised, and this occurs because the mind-set within the business is all about doing what is required rather than the bare minimum. Passion and enthusiasm are the norm, and this translates into an organisational context where staff see a correlation between their efforts and business results:

- We operate on meritocracy whereby the vast majority of senior roles are filled from within the organisation, sustaining the spirit of Infinis across all functions;
- We 'set people up for success' by providing the support, training and development needed for employees to be quickly up to speed and effective in their roles, as well as being prepared for future roles, due to our enthusiasm for effective succession planning;
- Our employees regularly demonstrate their flexibility when the scope/breadth of their role expands, reflecting the fluidity of the environment in which we work.
- Infinis is a great place to work for those with a can-do attitude and a tenacious desire to succeed.

Communication is key

The SMT is committed to regular, honest and effective communication, which will be key to ensuring employee buy-in as we realise our ambitions for growth. This can be seen with further editions of Energize, the Company's well established e-zine, featuring a mix of key business updates and human interest stories, giving all internal stakeholders easy access to what is happening within Infinis.

Four regional roadshows took place in May and June 2017 providing all staff with a face to face introduction to the new SMT, as well as summarising goals for FY18 performance and sharing the company's mission and vision as we move into a critical period of our future. Through these roadshows, staff have had an opportunity to be part of an exercise to redefine and codify our core values, which are anticipated to be widely used internally and to ensure new hires can demonstrate alignment with our culture.

Biannual management conferences have continued to be held to allow the management cadre of the organisation to meet, share best practice and maintain a focus on excellence in all that we do.

Diversity and inclusion – striving to raise the bar

Our diversity policy is designed to ensure that we recruit, develop and promote employees based on performance regardless of race, gender, religion or belief, marital status, age, culture, sexual orientation, disability or background.

As with many companies working in the engineering sector, we continue to face substantial challenges in attracting a diverse workforce. We recognise this challenge and in recent years have ensured all people managers and recruiters within Infinis have been trained in equality and diversity matters. We strive to deliver the highest quality workforce irrespective of background. We give full and fair consideration to all job applicants with opportunities for promotion and career development being managed on a similarly meritocratic basis.

Where circumstances change, for example, with regard to disability, efforts will be made to continue to support the individual, ideally through modifications or adjustments to their work or working practices, but as a business we will endeavour to search for suitable alternative roles alongside individuals wherever possible.

We are now proud members of the Employers' Network for Equality & Inclusion (enei), and wish to become increasingly knowledgeable and skilled when dealing with sensitive matters of this nature to ensure that all our staff are able to give their best, as well as keep us at the forefront of best practice when we look to hire from within groups that are under-represented or unrepresented in our workforce.

Employee benefits

During the reporting period, an exercise took place to rationalise and ensure consistency across our numerous bonus and incentive schemes. All employees now have a scheme which recognises the importance of EBITDA as a measure, and ensures that teams and colleagues are aligned and working towards similar targets. The belief from management, endorsed by feedback from employees is that this consistency will allow us all to pull in the same direction to succeed.

The benefits we offer are not merely financial. Our well-liked Volunteering in Practice (VIP) scheme has gone from strength to strength with another series of events being held in the period. In the 12 events since its inception, over 100 employees have benefitted from the scheme, almost exclusively reporting favourably in terms of the perceived impacts with regard to the community, and their own morale, engagement and productivity.

Training and development

Training is not regarded as optional at Infinis, but an integral and fundamental component of how we go about our business, ensuring that our workforce can consistently deliver.

Our training proposition is underpinned by our health and safety training. This focus is characterised by our Safety Passport training, which is now delivered to an externally recognised and accredited standard by our internal Health and Safety team. By delivering this training ourselves, we are able to focus on core issues as they present themselves, meaning an even more tailored and bespoke approach.

All formal operational training within Infinis comes under the central stewardship of the HR team in Northampton. There is an equitable approach to training allocation, and those individuals with differing availability or shift requirements are appropriately accommodated and do not struggle to access these interventions.

Succession planning is absolutely critical to the ongoing vitality of the organisation. Formal reviews of 'high potential' staff are seen across functions within Infinis, with those aspiring for bigger roles being nurtured to develop and pushed to grasp opportunities that present themselves. At an even earlier stage, the recruitment of several apprentices in head office functions serves notice of our desire to develop our own capability from within.

We are committed to maintaining the highest standards of health and safety as recognised by our receipt of the RoSPA gold medal award for the ninth consecutive year.

CORPORATE AND SOCIAL RESPONSIBILITY CONTINUED

"WE GIVE FULL AND FAIR CONSIDERATION TO ALL JOB APPLICANTS WITH OPPORTUNITIES FOR PROMOTION AND CAREER DEVELOPMENT BEING MANAGED ON A SIMILARLY MERITOCRATIC BASIS."

Equal opportunities and diversity

Diversity: management (number as at end of FY17)

	Male	Female
Board of Directors (Governing Board)	6	0
Board of Directors (Company Board)	4	0
Senior Management Team (excluding Executive Directors)	5	0

Diversity: gender (% as at end of FY17)

	2017		2016		2015	
	Employees	Senior Management	Employees	Senior Management	Employees	Senior Management
Male	88.6	100.0	90.2	100.0	89.3	91.0
Female	11.0	0.0	9.5	0.0	10.7	9.0
Other	0.4	0.0	0.3	0.0	0.0	0.0

Diversity: age (% as at end of FY17)

	2017	2016	2015
Under 30	11	11	13
30–39	27	29	29
40–49	32	32	32
Over 50	30	28	26

Diversity: ethnic diversity (% as at end of FY17)

	2017	2016	2015
White (UK)	95	93	90
White (Other)	3	3	5
Black (African)	1	1	1
Black (Caribbean)	0	0	1
Other (Mixed background)	1	3	3

Employee turnover (average %)

	2017	2016	2015
Total	9.7	10.6	14.4
Voluntary	8.3	9.5	10.7

Sickness absence rate (average working days lost per year per employee)

	2017	2016	2015
Total	4.2	4.4	3.3

These figures are marginally lower than the private sector average of 4.3 working days lost per annum per employee.

Further information relating to our CSR policies is available on our website (www.infinis.com) and includes:

- Climate change statement;
- Corporate responsibility statement;
- Environment policy;
- Health and safety policy;
- Equal opportunities policy; and
- Anti-slavery statement

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Volunteering

'Volunteers do Infinis proud!'

"The VIP scheme was launched in 2015, with strong endorsement from staff across the business" said John Okninski, Head of Human Resources. "It's great to see such high levels of take-up, and the satisfaction our people get from supporting schemes and projects in such a direct manner."

The scheme sees our external volunteering partner, Business Volunteers, source appropriate projects, typically hosted by registered charities, where a small number of Infinis volunteers can use existing skills, and develop new ones, to deliver tangible benefits for the charities.

One such scheme took place recently in Hull, where Infinis supported Densholme Farm, a charity that operates a care farm to help adults with learning disabilities gain new skills through horticulture and hosts weekly educational visits from local primary schools. The team was tasked with creating a new wildlife pond, building new wooden furniture and clearing overgrown space for a new sensory garden.

Denys Fell, from the charity, was thrilled with the efforts of the Infinis volunteers. "They've all been a big help to us. Their enthusiasm was brilliant to see. They've made a huge difference to the farm for our visitors."

One of the many positive aspects of the scheme is the broad cross-section of people participating, ranging from those based in office or workshop roles, to field-based staff. A large proportion of staff volunteer again (the policy is to allow everyone two days of volunteering per annum). "I love these team days and really feel proud that Infinis backs us to take part," says Alex Brandt, LFG Technician. "It's great to spend time learning about and helping local charities."

Mick Holton, our Chief Financial Officer recently swapped his suit for some workwear and volunteered for a Birmingham-based project: "I'm not the first member of our SMT to volunteer and I won't be the last. The SMT is committed to working closely with our people and this includes our charitable work. We see strong desire from our people to participate and continue with this work and, consequently, it seems certain that the scheme will continue. As well as benefiting the charities, post-volunteering feedback from participants reveals a marked up-turn in their commitment to the Company and job satisfaction. Our people get a strong sense of achievement and they develop skills such as teamworking, problem solving, leadership and project management."

"WE BELIEVE THAT SIGNIFICANT EMPLOYEE ENGAGEMENT CAN BE ACHIEVED BY ENSURING STAFF WORK WITH LOCAL COMMUNITIES AS WELL AS ALONGSIDE THEM. THIS PHILOSOPHY IS REALISED THROUGH OUR VOLUNTEERING IN PRACTICE SCHEME."

BOARD OF DIRECTORS

The Board of Infinis Energy Group Holdings Limited consists of one Shareholder Director and the three Executive Directors who served during the period ended 31 March 2017 and remain in office as at the date of this report.

Shane Pickering
Managing Director

E

Shane was appointed Managing Director on 8 December 2016 following the acquisition of the LFG business from Infinis Energy Limited where he held the position of Director of Operations from May 2015, responsible for both the wind and LFG portfolio. Prior to that, Shane was Regional Director of Operations Engineering at Intergen.

Shane's previous roles with the Central Electricity Generating Board, PowerGen, E.ON and InterGen Operating Company have given him over 30 years' experience in the power generation sector with extensive senior management experience in large-scale generation asset management, engineering, operations, construction and project management.

Appointed to the Board

Infinis Energy Group Holdings Limited – 13 January 2017

Infinis Energy Management Limited – 13 January 2017

Other key appointments None

Tim Short
Shareholder Director

A R

Tim joined 3i in 2007 where his primary focus is on the origination, execution and debt financing of infrastructure investments. In addition to his responsibilities for Infinis, he currently represents 3i on the board of Elenia, Finland's second largest electricity distribution network, and has previously served on the boards of Oiltanking Singapore and Oiltanking Malta.

Prior to joining 3i, Tim was at RBC Capital Markets, having started his career in the European financial restructuring group at Houlihan Lokey.

Appointed to the Board

Infinis Energy Group Holdings Limited – 17 October 2016

Infinis Energy Management Limited – 18 October 2016

Other key appointments None

Michael Holton
Chief Financial Officer

E

Michael was appointed Chief Financial Officer on 8 December 2016 following the acquisition of the LFG business from Infinis Energy Limited where he held the position of Group Financial Controller from October 2011.

Michael gained significant experience of major corporate transactions during his roles at Alliance Boots and Kidde plc. Michael qualified as a chartered accountant during his five years in audit with Deloitte (Touche Ross/Deloitte & Touche) where he gained experience of a broad variety of sectors.

Appointed to the Board

Infinis Energy Group Holdings Limited – 13 January 2017

Infinis Energy Management Limited – 13 January 2017

Other key appointments None

James Milne
Director – Legal and Commercial

E

James was appointed as Legal Director on 8 December 2016 following the acquisition of the LFG business by 3i, and subsequently Legal and Commercial Director, having held the positions of Head of Legal of Infinis from March 2011 and Group Company Secretary from September 2015. He leads the Infinis Group's commercial and legal activities.

Prior to joining Infinis, James was a partner at the international law firm Herbert Smith, where he spent 16 years and specialised in corporate advisory work, including corporate finance, mergers and acquisitions and private equity. James is a qualified solicitor.

Appointed to the Board

Infinis Energy Group Holdings Limited – 13 January 2017

Infinis Energy Management Limited – 13 January 2017

Other key appointments None

The Board of Infinis Energy Management Limited (the Governing Company) consists of the three Shareholder Directors, the three Executive Directors, who served during the period ending 31 March 2017 and remain in office as at the date of this report, the Chairman, appointed on 1 August 2017, and a Non-executive Director, appointed on 12 May 2017.

Tony Cocker
Non-executive Director and Chairman

A R

Tony retired from E.ON on 31 July 2017 where he had worked for over 20 years, most recently as CEO and Chairman of E.ON UK plc since September 2011. Prior to that he held a number of management positions with E.ON, including CEO and Chairman of the management board of E.ON Energy Trading SE (in Düsseldorf) and Managing Director of the Energy Wholesale and of Energy Trading divisions of E.ON UK.

Prior to joining E.ON, Tony was Strategic Planning Manager of Bass plc and Associate and Manager at LEK Consulting.

Appointed to the Board
Infinis Energy Management Limited – 1 August 2017

Other key appointments Governor and Deputy Chairman of Warwick Independent Schools Foundation.

Daniel Schulenburg
Shareholder Director

A R

Daniel joined 3i in 2016. He was appointed Director of the Governing Company following the acquisition of the LFG business from Infinis Energy Limited.

Prior to joining 3i, Daniel was a Principal at Hudson Clean Energy Partners, an energy-focused private equity and infrastructure firm. He was Programme Manager and a member of the Investment Committee of the firm's infrastructure funds and was actively involved in various private equity and infrastructure transactions.

Appointed to the Board
Infinis Energy Management Limited – 11 January 2017

Other key appointments None

Lars Oscar Tylegard
Shareholder Director

A R

Oscar joined 3i in 2013 and worked on a number of 3i's largest infrastructure investments. He was appointed Director of the Governing Company following the acquisition of the LFG business from Infinis Energy Limited.

Prior to joining 3i, Oscar worked in the investment banking department of Macquarie, with a focus on power and utilities.

Appointed to the Board
Infinis Energy Management Limited – 20 January 2017

Other key appointments None

Scott Longhurst
Non-executive Director

A R

Scott is Group Finance Director of Anglian Water Group (AWG) and Managing Director of AWG's non-regulated business. Prior to joining AWG, he spent most of his career with Shell, where he held a number of financial and commercial roles, and from 2000 with TXU Corporation as CFO for the Oncor Group. He was latterly appointed Group Controller and Chief Accounting Officer of TXU Corporation. Scott is a Fellow of the Institute of Chartered Accountants in England and Wales.

Appointed to the Board
Infinis Energy Management Limited – 12 May 2017

Other key appointments Founding member of HRH The Prince of Wales Accounting for Sustainability CFO Leadership Network; Non-Executive Director and Chairman of the Audit Committee of Candover Investments plc

Committee membership

- A Audit
- R Remuneration
- E Executive
- Committee Chairman

SENIOR MANAGEMENT TEAM

Following the acquisition of the LFG business by 3i, a new SMT was formed to manage the day-to-day business of the Infinis Group and with authorities delegated to it by the Executive Committee. In addition to the Executive Directors, the SMT comprises the following members:

1

Andrew Leeding
Head of Health, Safety, Quality and Environmental Compliance

Andrew was appointed the Infinis Energy Group's Head of Health, Safety, Quality and Environmental Compliance in July 2016, having been Head of Compliance and Environmental Services from October 2014. He joined the new Infinis LFG business, formed from the Waste Recycling Group (WRG), as Manager, Compliance and Services. Prior to that, from 2001, he was WRG's Group Landfill Gas Manager. Andrew is currently Chair of the Landfill Gas Industry Group.

2

Shane Pickering
Managing Director

Full biographies for Shane Pickering, Michael Holton and James Milne can be found on pages 30 and 31.

3

Neil Douglas
Head of IT

Neil was appointed Head of IT of the Infinis Energy Group in 2008, having transferred from WRG to the new Infinis LFG business in 2006 as IT Manager. He is responsible for all aspects of IT and communications for the Infinis Group. Prior to Infinis Neil held various operations, development and project management positions within Hanson and then WRG.

4

John Okninski
Head of HR

John was appointed Head of HR of the Infinis Group in December 2016, having been HR Manager of the Infinis Energy Group since 2007. He has nearly 20 years' experience in HR having previously held various HR management roles with Saint-Gobain's Building Division, Graham Group, Frazer Limited, Autoglass Limited and Lloyds TSB.

5
Robert Tomlins
Head of LFG Operations

Robert was appointed Head of LFG Operations of the Infinis Energy Group in October 2014, having been Regional Operations Manager since 2010, following the acquisition of Novera Energy. He previously held various project management and operational management roles with Novera Energy, the University of Manchester and VT Shipbuilding.

6
Andrew Hulance
Head of Engineering and Support Services

Andrew was appointed the Infinis Energy Group's Head of Engineering and Support Services in October 2014, having held various engineering and operational management roles within the Infinis Energy Group. He joined Shanks & McEwan in March 1987 as part of the newly-formed landfill gas management team and prior to that. He was a marine engineer with Shell Petroleum Company

7
Michael Holton
Chief Financial Officer

8
James Milne
Director – Legal and Commercial

9
Keith Hobbs
Head of Development

Keith joined the Infinis Group in July 2017 as our new Head of Development and a new member of the SMT. Keith previously worked for the Infinis Energy Group as Head of Wind Development until the sale of the wind development business, having transferred from WRG in 2006 as Estate Manager where he worked in various roles from 1998. Prior to WRG, he worked in private practice having qualified as a Chartered Surveyor while working at Hanson Aggregates.

CORPORATE GOVERNANCE STATEMENT

The Infinis Group recognises the importance of effective corporate governance to the achievement of its strategic goals and the creation of value for its shareholders.

The Infinis Group's corporate governance structure is set by the Board of Directors of Infinis Energy Management Limited.

Governance structure

The Board of Directors (the 'Governing Board') of Infinis Energy Management Limited (the 'Governing Company'), the Company's wholly-owned subsidiary, is responsible for establishing, overseeing and managing the broad goals and strategies and the corporate governance structure of the Infinis Group. These governance arrangements are formalised in the Corporate Governance Policy approved by the Governing Board.

The operating subsidiaries of the Infinis Group are owned by the Governing Company. Its Directors are responsible for implementing the Group's strategy and business plans and have delegated the oversight of the day-to-day management of the Infinis Group to the Executive Committee.

The Company's Board of Directors (the 'Company Board') are therefore not involved in active leadership of the Infinis Group but instead have a holding company board role. The Directors consider the current structure to be appropriate but will continue to keep it under review.

The Infinis Group maintains an active dialogue with its shareholder, through direct engagement by the Executive Directors, the Shareholder Directors and the Non-Executive Directors. The Shareholder Directors have weighted voting rights and de facto control of the boards of the Company and the Governing Company.

The Governing Board believes that effective corporate governance is a key feature of prudent business practice. The Governing Company is committed to achieving high and relevant standards of corporate governance and to comply with the Walker Guidelines for Disclosure and Transparency in Private Equity.

Set out below are further details of the main governance structures of the Infinis Group and key terms of the Corporate Governance Policy. Details of directorships and committee memberships set out below are correct as at the date of this report.

Board composition

Biographies and other details of the members of the Company's Board and the Governing Board can be found on pages 30 to 31.

The Company's Board comprises the three Executive Directors (Shane Pickering, Managing Director; Michael Holton, Chief Financial Officer; James Milne, Director – Legal and Commercial) and one Shareholder Director (Tim Short). The Governing Board comprises the three Executive Directors, the three Shareholder Directors (Daniel Schulenburg; Tim Short; Oscar Tylegard), the Chairman (Tony Cocker), appointed on 1 August 2017, and a Non-executive Director (Scott Longhurst), appointed on 12 May 2017.

Board meetings

The Governing Board meets regularly, generally on a monthly basis, with other meetings being convened where circumstances require.

The following table sets out the total number of Company Board and Governing Board meetings held in the period from incorporation of the Company and the Governing Company to 31 March 2017 and the Directors' attendance at the meetings they were entitled to attend.

Director's name	Infinis Energy Group Holdings Limited (incorporated 17 October 2017)	Infinis Energy Management Limited (incorporated 18 October 2017)
Tim Short	6 of 6	9 of 9
Bernardo Sottomayor[1]	5 of 6	7 of 8
Daniel Schulenburg[2]	–	3 of 3
Oscar Tylegard[3]	–	3 of 3
Michael Holton[4]	1 of 1	3 of 3
James Milne[4]	1 of 1	3 of 3
Shane Pickering[4]	1 of 1	3 of 3

1 Resigned as Director of the Company and the Governing Company on 7 March 2017
2 Appointed as Director of the Governing Company on 11 January 2017
3 Appointed as Director of the Governing Company on 20 January 2017
4 Appointed as Director of the Company and the Governing Company on 13 January 2017

Board procedure

The Governing Board conducts a regular review of business issues and key performance metrics in a timely and structured way so as to enable the Company's and the Governing Company's Directors to discharge their responsibilities in accordance with the strategic and business plans of the Infinis Group, provide leadership to the Infinis Group within a framework of prudent and effective controls, and assess and manage risk.

An agenda and briefing pack is prepared for all Board meetings which includes routine business items for monthly scheduled meetings, including health and safety, financial and operational performance, a review of commercial activities and an overview of operations and development opportunities. All members of the Board receive sufficient information in a timely manner on agenda items, whether or not they are able to attend, and minutes are prepared and approved as an accurate record of proceedings. This ensures a regular update to the Governing Board on all key matters and enables Board members to discharge their duties. Biannual updates on risk management are also given to the Governing Board by the Executive Directors.

The agreed principles of corporate governance applicable to the Infinis Group are set out in the Corporate Governance Policy and record the overarching internal policies by which the Infinis Group should operate, without restricting the legal independence of any Group Company and whilst ensuring that key policy and strategic decisions relating to the Infinis Group are made by the Governing Board. The agreed principles include terms of reference for committees of the Governing Board. The Governing Board's formal schedule of delegated authorities sets out the financial authorities delegated to its committees, the Managing Director and other Directors, officers and employees (the 'Delegated Authorities'). The Delegated Authorities were last revised on 27 April 2017. Matters which must be brought to the Governing Board for approval in accordance with the Delegated Authorities include, but are not limited to, strategy, the annual business plan, the Infinis Group budget, power trading strategy, and major property acquisitions and disposals.

The Company maintains appropriate directors' and officers' liability insurance.

Board committees

On 25 January 2017, the Governing Board established the Executive Committee, Audit Committee and Remuneration Committee, each of which operates under clearly defined terms of reference and in accordance with the Delegated Authorities.

No one other than the committee chairman and members is entitled to be present at a committee meeting, but others may attend by invitation as referred to below.

The Executive Committee

The Executive Committee comprises the three Executive Directors.

In the period to 31 March 2017 there were three meetings of the Executive Committee. The table below summarises Executive Committee attendance by committee members during the period to 31 March 2017.

Director's name	Attendance
Michael Holton	3 of 3
James Milne	3 of 3
Shane Pickering	3 of 3

This Committee exercises the day-to-day management of the Infinis Group in accordance with the authorities delegated to it by the Governing Board.

Audit Committee

The Audit Committee comprises the Shareholder Directors and the Non-executive Directors. On 27 July 2017, Scott Longhurst was appointed Chairman of the Committee. In addition, the Group Governance Policy provides that the Managing Director has a right to attend meetings but not to vote.

In the period to 31 March 2017 there were no meetings of the Audit Committee.

The Audit Committee has the opportunity to meet with the external and internal auditors without executive management being present.

The Audit Committee is responsible for ensuring that internal and external audit processes are carried out in the best interests of the Infinis Group's shareholder, creditors, employees and customers. In assisting the Governing Board to fulfil its duties, specific duties and responsibilities of the Committee include:

- overseeing the Group's relationship with the external auditors:
  - agreeing the nature and scope of the audit and reviewing the audit plan;
  - advising the Governing Board regarding the appointment and re-appointment of the external auditors of the Company and Group Companies;
  - recommending to the Governing Board the remuneration and terms of engagement of the external auditors of the Company and Group Companies;
  - reviewing with the Governing Company's and any Group Company's external auditors the interim (if any) and the annual financial statements of the Group before submission to the Governing Board; and
  - discussing audit findings with the external auditors, including any major issues or reservations which arose during the course of the audit and their resolution, and recommendations made to management by the auditors and management's response;
- deciding on the implementation of the Group's internal audit programme, ensuring coordination between the internal and external auditors and ensuring that the internal audit function is adequately resourced;
- recommending to the Governing Board appropriate policies of risk and internal control and ensuring that the implementation of such policies is formulated, operated and monitored. Such policies shall help to ensure the quality of internal and external reporting and adoption of suitable risk control measures, and shall specifically include a review by the Committee of the Chief Financial Officer's report on risks affecting the Group (which the Chief Financial Officer shall make no less frequently than once in each year); and
- considering other topics relating to the audit of the financial systems or records of the Group as determined by any member of the Committee.

Since the period end, the Committee met for the first time on 27 July 2017, primarily to consider the consolidated report and accounts of the Governing Company and of the Group Company with focus on: the key financial judgements therein; sensitivities regarding those key judgements; whether the report as a whole was fair, balanced and understandable; and the auditor's report to the Committee which included a discussion on the control environment. The final form of the report and accounts of the Group Company were approved by Directors on 24 August 2017. The Committee also considered and concluded that an audit tender was appropriate at this time.

CORPORATE GOVERNANCE STATEMENT CONTINUED

Remuneration Committee

The Remuneration Committee comprises the Shareholder Directors and the Non-executive Directors. The Corporate Governance Policy provides that the Managing Director shall have the right to attend but not vote at meetings of the Remuneration Committee and any Director may be invited to attend the Remuneration Committee meetings. The Committee meets at least once a year and at such other times as the Governing Board requires. In the period to 31 March 2017 the Committee met once and members' attendance was as follows:

Director's name	Attendance
Daniel Schulenburg	1 of 1
Tim Short	1 of 1
Oscar Tylegard	1 of 1

The Remuneration Committee's specific duties and responsibilities include discretions or authorities in respect of:

- the organisational structure of the Governing Company and any Group Company and the Group as a whole;
- the appointment and termination of any Executive Director, senior employee or manager of any Group Company and terms and the conditions of appointment or employment;
- any policies and terms and conditions of employment of any employees of the Governing Company or any Group Company;
- any changes to the role of any Executive Director or senior employee;
- any recommendation in respect of the implementation of material redundancies;
- the remuneration and benefits of any Executive Director or senior employee; and
- approval of annual salary increases, bonuses and incentive programmes and overall bonus levels for all staff.

Internal control and risk management

The Board understands its responsibilities to present a fair, balanced and understandable assessment of the Group's position and prospects and to provide the information necessary for the shareholder to assess the Group's performance, business model and strategy.

The Group's approach to risk management is set out in further detail in the risk management section on pages 14 to 17.

The Group's risk management and internal controls processes are designed to ensure that the risks associated with conducting our business activities are effectively controlled in line with the Group's risk appetite. We believe the processes provide reasonable, but not absolute, assurance against material misstatement or loss.

The Board, through the Audit Committee, has reviewed the assessment of risks and the risk management process, and has considered the effectiveness of the system of internal controls for the financial period and up to the date of approval of this report by the Board. There are established procedures and controls in place to identify entities whose results must be consolidated with the Group's results.

We believe that the process followed by the Governing Board in reviewing the system of internal controls accords with the guidance on internal control issued by the Financial Reporting Council and reflects the Board responsibility for determining the nature and extent of the significant risks it is willing to take in achieving its strategic objectives. The Board provides oversight to help ensure that the Group maintains sound risk management and internal control systems. The Group's system of risk management and internal control has operated throughout the year, with the benefit of an independent review and input into system refinements as further explained in the risk management section, and continues to operate up to the date of approval of this annual report.

By order of the Board

J H Milne
Director

24 August 2017

DIRECTORS' REPORT

The Directors present their report and the audited consolidated financial statements for the period ended 31 March 2017.

Strategic report

The Companies Act 2006 requires us to present a fair, balanced and understandable perspective of the Company's and Group's business during the period ended 31 March 2017 and of the position of the Group at the end of the financial period, together with a description of the principal risks and uncertainties facing the Group. The strategic report can be found on pages 2 to 29.

Corporate governance statement

A corporate governance statement can be found on pages 34 to 36 and is incorporated into the Directors' report by reference.

Private equity ownership

The Company heads a group of companies (the 'Infinis Group') and was incorporated in October 2016 with its subsidiary, Infinis Energy Management Limited, by 3i Infrastructure plc (3i) to acquire the LFG business and its subsidiary companies from Infinis Energy Limited (a company ultimately owned by funds managed by Terra Firma Investments (GP) 2 Limited).

The acquisition of the largest LFG generator in the UK, including 121 landfill gas sites and 290 employees, was completed on 8 December 2016. 3i, part of 3i Group, is an economic infrastructure business which invests for the long term of between 20 and 30 years in utilities, energy, transport and communications and is listed on the London Stock Exchange. The acquisition of the LFG business complements 3i's existing portfolio which includes Elenia, a leading electricity distribution network in Finland, Anglian Water Group, a leading provider of water and water recycling services in the UK, and ESVAGT, an emergency rescue and response vessels business for the offshore energy industry.

Going concern

Having made enquiries (see page 21), the Directors consider that the Company and its subsidiaries 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. The Directors consider that a robust going concern assessment process was undertaken and the results were discussed and challenged by the Audit Committee.

Financial risk management

Details of financial instruments and the Group's approach to capital management and financial risk are provided in note 17a on page 54 to the accounts.

Directors

The Directors of the Company and of the Governing Company who served during the period ended 31 March 2017 and since the period end are as follows:

The Company

Michael Holton	appointed 13 January 2017
James Milne	appointed 13 January 2017
Shane Pickering	appointed 13 January 2017
Tim Short	appointed 17 October 2016
Bernardo Sottomayor	appointed 17 October 2016, resigned 7 March 2017

The Governing Company

Tony Cocker[1]	appointed 1 August 2017
Michael Holton	appointed 13 January 2017
Scott Longhurst[2]	appointed 12 May 2017
James Milne	appointed 13 January 2017
Shane Pickering	appointed 13 January 2017
Daniel Schulenburg	appointed 11 January 2017
Tim Short	appointed 18 October 2016
Bernardo Sottomayor	appointed 18 October 2016, resigned 7 March 2017
Oscar Tylegard	appointed 20 January 2017

1 Appointed Non-executive Director and Chairman
2 Appointed Non-executive Director

The roles and biographical information of the Directors of the Company as at the date of this report are set out on pages 30 to 31.

Results and dividends

The results for the period ended 31 March 2017 are set out on page 41 to 44. No interim dividend was proposed or paid for the period ended 31 March 2017.

Employees

Details of the Company's policies on employment, training, career development and promotion of disabled persons, and a statement on employee involvement in the financial period, are set out on pages 26 to 28.

Policy and practice on payment of creditors

It is the policy of the Infinis Group to pay its creditors within 30 days of the end of the month in which the invoice was issued.

Political and charitable donations

No political donations were made during the period. The Infinis Group made charitable donations of £18,650 during the period.

Significant agreements

The Infinis Group has a number of contractual relationships with customers, suppliers and banks which are essential to our business and with whom we work proactively.

Customers

The Infinis Group has a relatively small customer base, the majority of which consists of utilities with investment grade ratings.

Operational counterparties

Our operational counterparties are the waste companies or local authorities with whom we work, most notably FCC Environmental (formerly WRG), Veolia, Cory, Biffa and Viridor.

Banks

The Governing Company has a financing facility of £276,700,000 provided by six financial institutions.

DIRECTORS' REPORT CONTINUED

Directors' indemnities

The Governing 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.

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

Auditor

Pursuant to section 485 of the Companies Act 2006, KPMG LLP were appointed as auditor of the Company on 3 May 2017. Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Disclosure of information to auditor

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

Other information

Other information relevant to the Directors' report can be found in the sections of the annual report as per the table below.

The Directors' report of the Company for the period ended 31 March 2017 comprises these pages and the sections of the annual report referred to under the corporate governance report and other information above which are incorporated into the Directors' report by reference.

The Directors' report was approved by the Board on 24 August 2017.

By order of the Board

J H Milne
Director

Information	Page/s	Location in annual report
Names and roles of Directors	30, 31	Board of Directors
Financial risk management	54	Note 17 and the significant accounting policies sections
Future developments	3, 10, 11	Strategic report[1]
Greenhouse gas emissions	24, 25	CSR report
Movements in share capital	54	Note 16
Subsidiary undertakings in the course of the period	61, 62	Note 22

[1] The Board has taken advantage of section 414C(11) of the Companies Act 2006 to include disclosures in the strategic report on these items

STATEMENT OF DIRECTORS' RESPONSIBILITIES

IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

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

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

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

— select suitable accounting policies and then apply them consistently;
— make judgments and estimates that are reasonable and prudent;
— for the Group financial statements, state whether they have been prepared in accordance with IFRSs as adopted by the EU;
— for the Company financial statements, state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Company financial statements; 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 responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

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

We consider the annual report and accounts, taken as a whole, is fair, balanced and understandable, and provides the information necessary for the shareholder to assess the Company's and Group's position and performance, business model and strategy.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF INFINIS ENERGY GROUP HOLDINGS LIMITED

We have audited the financial statements of Infinis Energy Group Holdings Limited for the 5 month and 14 day period ended 31 March 2017 set out on pages 41 to 63. The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU. The financial reporting framework that has been applied in the preparation of the parent Company financial statements is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

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

Respective responsibilities of Directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 39, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion:

— the financial statements give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 March 2017 and of the Group's profit for the period then ended;
— the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the EU;
— the parent Company financial statements have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
— the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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

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

5 September 2017

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE 5 MONTH AND 14 DAY PERIOD ENDED 31 MARCH 2017

	Note	Period ended 31 March 2017 £'000
Revenue		55,271
Cost of sales		(28,410)
Gross profit		**26,861**
Administrative expenses		(17,197)
EBITDA before operating exceptional items		**31,666**
Operating exceptional items	5b	(4,954)
EBITDA		**26,712**
Depreciation of tangible fixed assets	5a	(8,691)
Amortisation of intangible fixed assets	5a	(8,357)
Operating profit		**9,664**
Net finance costs	7	(7,696)
Profit before tax		**1,968**
Tax charge	8	(774)
Profit for the period		**1,194**
Other comprehensive income/(expense)		
Items that may be reclassified subsequently to the profit or loss:		
Net movement in effective cash flow hedges		(1,931)
Tax thereon		386
Total comprehensive expense for the period		**(351)**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 MARCH 2017

	Note	31 March 2017 £'000
Non-current assets		
Property, plant and equipment	9	81,077
Goodwill	10	19,456
Other intangible assets	10	354,885
		455,418
Current assets		
Inventories		3,241
Trade and other receivables	12	46,081
Cash and cash equivalents		35,663
		84,985
Total assets		**540,403**
Non-current liabilities		
Interest-bearing loans and borrowings	13	391,819
Deferred tax	11	50,810
Provisions	15	**1,808**
		444,437
Current liabilities		
Interest-bearing loans and borrowings	13	28,733
Trade and other payables	14	32,584
		61,317
Total liabilities		**505,754**
Net assets		**34,649**
Equity		
Share capital	16	35,000
Hedging reserve		(1,545)
Retained earnings		1,194
Total equity		**34,649**

The financial statements were approved by the Board of Directors on 24 August 2017 and were signed on its behalf by:

M D Holton
Director

S S Pickering
Director

Company number: 10432005

The notes on pages 45 to 57 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 31 MARCH 2017

	Share capital £'000	Hedging reserve £'000	Retained earnings £'000	Total £'000
Total comprehensive income				
At date of incorporation (17 October 2016)	–	–	–	–
Profit for the period	–	–	1,194	1,194
Effective portion of changes in fair value of cash flow hedges	–	(1,931)	–	(1,931)
Tax on movement in cash flow hedges	–	386	–	386
Total comprehensive income/(expense)	**–**	**(1,545)**	**1,194**	**(351)**
Transactions with owners of the Company				
Issue of ordinary shares	35,000	–	–	35,000
Total transactions with owners of the Company	**35,000**	**–**	**–**	**35,000**
Balance at 31 March 2017	**35,000**	**(1,545)**	**1,194**	**34,649**

The notes on pages 45 to 57 form part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT

FOR THE PERIOD ENDED 31 MARCH 2017

	Period ended 31 March 2017 £'000
Cash flow from operating activities	
Profit for the period	1,194
Adjustments for:	
Depreciation of tangible fixed assets	8,691
Amortisation of intangible fixed assets	8,357
Finance costs	10,328
Finance income	(2,632)
Taxation	774
Operating cash flow before changes in working capital and provisions	**26,712**
Increase in trade and other receivables	(6,710)
Increase in inventories	(483)
Increase in trade and other payables	4,380
Decrease in provisions	(106)
Cash generated from operations	**23,793**
Interest paid	(13,861)
Tax paid	(1,444)
Net cash inflow from operating activities	**8,488**
Cash flow used in investing activities	
Interest received	56
Acquisition of subsidiaries, net of cash acquired	(86,221)
Acquisition of property, plant and equipment	(4,027)
Net cash outflow from investing activities	**(90,192)**
Cash flow from/(used in) financing activities	
Proceeds from issue of share capital	35,000
Proceeds from other borrowings	276,700
Proceeds from shareholder loans	150,000
Repayment of other borrowings	(350,000)
Redemption fees on other borrowings	(6,125)
Arrangement fees on new loans	(8,538)
Proceeds from related party debt at acquisition	20,330
Net cash from financing activities	**117,367**
Net increase in cash and cash equivalents	**35,663**
Cash and cash equivalents at the beginning of the period	–
Cash and cash equivalents at the end of the period	**35,663**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2017

1. Accounting policies

Infinis Energy Group Holdings Limited (the 'Company') is a private company, incorporated and domiciled in the UK. The Company was incorporated on 17 October 2016 as 3i LFG Midco Limited. On 28 February 2017 the Company changed its name to Infinis Energy Group Holdings Limited. The Company's registered office is at First Floor, 500 Pavilion Drive, Northampton Business Park, Northampton, NN4 7YJ.

The Group financial statements consolidate those of the Company and its subsidiaries (together referred to as the 'Group'), and present the results for the 5 month and 14 day period ended 31 March 2017. The parent Company financial statements present information about the Company as a separate entity and not about its Group.

Basis of preparation and consolidation

The Group financial statements have been prepared and approved by the Directors in accordance with International Financial Reporting Standards as adopted by the EU (Adopted IFRSs). The Company has elected to prepare its parent Company financial statements in accordance with FRS 101; and these are presented on pages 58 to 63. The financial statements have been prepared on a going concern basis.

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. In assessing control, the Group takes into consideration potential voting rights. The acquisition date is the date on which control is transferred to the acquirer. 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 expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. 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, unless otherwise stated, been applied consistently throughout the current financial period. The financial statements are prepared on the historical cost basis except for certain financial instruments which are stated at their fair value. All values are rounded to the nearest thousand (£'000) except where otherwise indicated.

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

IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers are effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted. IFRS 9 addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 15 deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. The Group has not early adopted either of these Standards and is currently assessing the potential impact on the Group's financial statements resulting from their future application.

IFRS 16 Leases is effective for annual reporting periods beginning on or after 1 January 2019, with early adoption permitted provided that IFRS 15 Revenue from Contracts with Customers is also applied. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e. the customer (lessee) and the supplier (lessor). The Group is assessing the impact of IFRS 16.

3. 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.

Acquisition accounting

When the Group completes a business combination, 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.

LFG 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.

The carrying value of the intangible assets is disclosed in note 10 and the initial determination of the assets and liabilities acquired is disclosed in note 18.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS CONTINUED

FOR THE PERIOD ENDED 31 MARCH 2017

3. Accounting estimates and judgments continued

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 similar to those used when performing a valuation of acquired LFG rights and therefore could significantly impact the financial statements. Further details regarding the impairment testing can be found in note 10.

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

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

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

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

Royalty payments

Royalty payments to landlords are recognised in the statement of comprehensive income as they accrue, based on the level of electricity generation at each site.

Finance costs

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

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 period in which they are incurred.

Finance income

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

Employee benefits

Pension arrangements

The Group provides pension arrangements for employees and certain Directors who are members of the Friends Life Stakeholder defined contribution scheme. Contributions for this scheme are charged to the income statement in the period in which they accrue.

4. Significant accounting policies continued

Tax

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

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the period 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. 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 statement of financial position date.

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

Property, plant and equipment

Property, plant and equipment 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, with no residual value, over the estimated useful life of the asset.

The cost of replacing an item of property, plant and equipment is recognised in the carrying amount of the item 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.

The estimated useful lives are as follows:

Plant and equipment (except engine overhauls)	Over the shorter of the minimum lease term of each specific operating site and the expected life of the asset, being 2–20 years
Engine overhauls	2–4 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 forms part of the single 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 the LFG rights, technology and brand. Details of the accounting estimates and judgments made in the valuation of these assets are disclosed in note 3.

Amortisation of intangible assets

Amortisation of LFG rights allocates the cost of the asset over its estimated useful life using a profile that reflects the decline in available gas reserves. Technology and brand are amortised on a straight-line basis over five and ten years respectively.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS CONTINUED

FOR THE PERIOD ENDED 31 MARCH 2017

4. Significant accounting policies continued

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. Further details regarding the impairment testing can be found in note 10.

Financial instruments

Derivative financial instruments

The Group utilises derivative financial instruments in the normal course of business to hedge its exposure to fluctuations in interest rates.

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

Cash flow hedges

Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognised directly in equity to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognised in 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 period that the hedged item impacts the income statement.

The Group adopts a policy of ensuring that it is not exposed to changes in interest rates on borrowings as 100% of its debt is on a fixed rate basis, taking into account assets with exposure to changes in interest rates. The Group enters into and designates interest rate swaps as hedges of the variability in cash flows attributable to interest rate risk.

Non-derivative financial instruments

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

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.

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement. Cash and cash equivalents include restricted cash balances, which principally relate to the debt service requirements of certain borrowings undertaken by the Group.

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 statement of comprehensive income over the period of the borrowings on an effective interest basis.

Trade and other payables are carried at cost.

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

5. Expenses

(a) Operating expenses

Included in operating profit are the following:

	2017 £'000
Depreciation of property, plant and equipment	8,691
Amortisation of intangible fixed assets	8,357
Payments to landlords for royalties	8,557

(b) Exceptional items

The Group has adjusted for the following non-recurring items to provide a measure of its underlying profitability:

	2017 £'000
Acquisition costs	4,954
Total operating exceptional items	**4,954**

Acquisition costs in the period to 31 March 2017 were £4,954,000 and relate to external advisors' fees. The Directors consider these costs to be unusual in nature.

A reconciliation from operating profit (a GAAP measure) to EBITDA before operating exceptional items (an alternative performance measure) is presented in the table below:

	2017 £'000
EBITDA before operating exceptional items	**31,666**
Operating exceptional items	(4,954)
EBITDA	**26,712**
Depreciation of tangible fixed assets	(8,691)
Amortisation of intangible fixed assets	(8,357)
Operating profit	**9,664**

(c) Auditor remuneration

	2017 £'000
Fees payable to the Company's auditor for the audit of the Company and the consolidated financial statements of Infinis Energy Group Holdings Limited	51
Audit of the financial statements of subsidiaries	182
Other services	18
	251

NOTES FORMING PART OF THE FINANCIAL STATEMENTS CONTINUED

FOR THE PERIOD ENDED 31 MARCH 2017

6. Staff numbers and costs

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

	2017 Number
Operational staff	217
Administration and management	73
	290

The aggregate payroll costs of these persons were as follows:

	2017 £'000
Charged to operating expenses	
Wages and salaries	4,962
Social security costs	670
Pension costs	178
	5,810

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:

	2017 £'000
Pension scheme contributions	178
Outstanding pension scheme contributions	68

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

7. Finance costs and income

	2017 £'000
Finance costs	
Interest on secured loans	1,079
Interest on bond financing	5,178
Interest on shareholder loans	3,813
Amortisation of arrangement fees	258
Total finance costs	**10,328**
Finance income	
Bank and other interest receivable	(56)
Other non-recurring net finance income*	(2,576)
Total finance income	**(2,632)**
Net finance costs	**7,696**

* Other non-recurring net finance income in the period to 31 March 2017 was £2,576,000 and relates to the difference in the carrying value of the High Yield Bond and the redemption amount paid to settle the liability in February 2017, offset by an early redemption fee payable on settlement of £6,125,000 and a commitment fee of £484,000 payable on the new bank facility. The Directors consider all these items to be non-recurring in nature.

8. Tax

Recognised in the statement of comprehensive income:

	2017 £'000
Current tax	
Current period	776
Current tax expense	**776**
Deferred tax	
Origination and reversal of temporary differences	(2)
Deferred tax charge	(2)
Total tax charge	**774**
Reconciliation of effective tax rate	
Profit before tax	1,968
Tax charge at the UK corporation tax rate of 20%	394
Non-deductible expenses	380
Total tax charge	**774**

9. Property, plant and equipment

	Plant and equipment £'000	Assets under construction £'000	Total £'000
Cost			
At date of incorporation	–	–	–
Acquisition of subsidiaries	80,628	4,816	85,444
Additions	–	4,324	4,324
Transfers between classes	6,698	(6,698)	–
At 31 March 2017	**87,326**	**2,442**	**89,768**
Depreciation			
Charge for the period	8,691	–	8,691
At 31 March 2017	**8,691**	**–**	**8,691**
Net book value			
As at 31 March 2017	**78,635**	**2,442**	**81,077**

10. Intangible assets

	Goodwill £'000	LFG rights £'000	Other £'000	Total £'000
Cost				
At date of incorporation	–	–	–	–
Acquisition of subsidiaries	19,456	353,098	10,144	382,698
At 31 March 2017	**19,456**	**353,098**	**10,144**	**382,698**
Amortisation				
Charge for the period	–	7,896	461	8,357
At 31 March 2017	**–**	**7,896**	**461**	**8,357**
Net book value				
At 31 March 2017	**19,456**	**345,202**	**9,683**	**374,341**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS CONTINUED

FOR THE PERIOD ENDED 31 MARCH 2017

10. Intangible assets continued

At the end of each period, the Group assesses assets for impairment as described in note 4. Impairment assessments for goodwill, gas rights, technology and brand are assessed at a Group level, which is considered to be an appropriate CGU, given the interdependencies of the cash flows. Property, plant and equipment are separately tested at an individual asset level when there is an impairment trigger. Impairment assessments compare the carrying value of the CGU to the net present value of the future cash flows it is expected to generate, discounted at a rate that management has determined reflects the specific risks relating to the CGU. The Group forecasts CGU cash flows to the end of the CGU's useful life. Future cash flows comprise those related to existing LFG core operations and growth opportunities arising from existing spare grid and engine capacity. The post tax discount rate used was 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 statement of comprehensive income. 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.

Key assumptions used in the calculation of recoverable amounts are gas generation, pricing of exported output and inflation. The values assigned to the key assumptions represent management's assessment of future trends in the LFG industry and were based on both external and internal sources (prospective and historical data). Management has an in-depth understanding of the composition of gas field sites 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.

Cash flow projections used for the value in use modelling are by their nature subject to inherent uncertainties:

— 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; and
— the assumptions related to generation and pricing are subject to risks which are explained in the strategic report.

Management has considered the impact of sensitivity of the key assumptions. With all other parameters remaining constant: it would require an increase of 1% in the discount rate or a 6% decrease in forecast sales prices or in gas generation of 4% before the recoverable amount is less than the CGU's carrying value.

11. Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	2017 £'000
Liabilities	
Property, plant and equipment	469
Intangible assets	50,866
Total	**51,335**
Assets	
Other timing differences	(525)
Total	**(525)**
Net deferred tax liability	**50,810**

Movement in deferred tax assets and liabilities during the period:

	At date of incorporation £'000	Acquisition of subsidiaries £'000	Recognised in reserves £'000	Temporary differences in the period £'000	Rate change £'000	At end of the period £'000
Property, plant and equipment	–	1,125	–	(656)	–	469
Intangibles	–	52,537	–	(1,671)	–	50,866
Other timing differences	–	(2,464)	(386)	2,325	–	(525)
Total	**–**	**51,198**	**(386)**	**(2)**	**–**	**50,810**

The Finance (No. 2) Act 2015 introduced legislation reducing the rate of corporation tax from 20% at 1 April 2016 to 19% from 1 April 2017 and to 18% from 1 April 2020. The Finance Act 2016, which received Royal Assent on 15 September 2016, further reduced the corporation tax rate to 17% from 1 April 2020. These rates, including the further reduction in the future corporation tax rates from 19% to 17%, have been used in the calculation of deferred tax assets and liabilities for the period ended 31 March 2017.

12. Trade and other receivables

	2017 £'000
Trade receivables	5,327
Accrued income	34,006
Prepayments	1,524
Amounts owed by related parties	21
Other receivables	5,203
	46,081

13. 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 17.

Interest-bearing loans and borrowings:

	2017 £'000
Non-current	
Secured loans	239,888
Shareholder loan	150,000
Derivative financial liabilities	1,931
	391,819
Current	
Secured loans	28,733
	28,733

The Group had previously issued a £350.0 million 7% Bond, secured on the LFG assets, maturing in February 2019. The Bond was repaid on 14 February 2017 and was replaced by the new finance facility of £276.7 million. The new facility matures on 13 February 2022 with biannual capital repayments (due on 30 September and 31 March) and a final repayment of £154.4 million due on maturity. The new bank facility attracts interest at an average rate of 3.485% over the term of the facility with the interest fixed using interest rate swaps. The carrying value of the loan under the new finance facility is stated net of unamortised issue costs of £8.3 million, these costs are being allocated to the statement of comprehensive income over the term of the facility.

On 6 December 2016 the Company issued £150.0 million interest-bearing subordinated unsecured loan notes to 3i LFG Holdings Limited, the parent company of its immediate parent company, 3i LFG Topco Limited. The loan notes are due for repayment in 2045 and attract interest at a rate of 8%, payable at half yearly intervals.

14. Trade and other payables

	2017 £'000
Trade payables	4,436
Accruals and deferred income	18,136
Amounts payable to a related party	3,813
Other creditors	3,079
Corporation tax creditor	3,120
	32,584

15. Provisions

	£'000
At date of incorporation	–
Acquisition of subsidiaries	1,914
Utilisation of provisions	(6)
Provisions released in the period	(100)
At 31 March 2017	**1,808**

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.

Provisions are classified as non-current.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS CONTINUED

FOR THE PERIOD ENDED 31 MARCH 2017

16. Share capital

Share capital

	Issued share capital 2017 Number	Aggregate nominal value 2017 £'000
Allotted, called up and fully paid		
At date of incorporation – ordinary share of £1	1	–
Shares issued during the period for cash – ordinary shares of £1 each	35,000,000	35,000
At 31 March 2017	**35,000,001**	**35,000**

On 6 December 2016 the Company issued 35,000,000 ordinary shares to the sole shareholder 3i LFG Topco Limited for £35,000,000. All ordinary shares rank equally with regard to the Company's residual assets.

17. 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 continue to sustain trading. 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 the financing arrangements that are secured on those individual businesses.

Financial instruments

Financial instruments comprise trade and other receivables, 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 on 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 2017 £'000	Fair value 2017 £'000
Financial assets		
Cash and cash equivalents	35,663	35,663
Loans and receivables:		
Trade receivables	5,327	5,327
Amounts owed by related parties	21	21
Other receivables	5,203	5,203
Total financial assets	**46,214**	**46,214**
Financial liabilities		
Trade and other payables	32,584	32,584
Interest-bearing loans	418,621	418,621
Provisions	1,808	1,808
Derivative financial instruments:		
Interest rate swap	1,931	1,931
Total financial liabilities	**454,944**	**454,944**

17. 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.

Credit quality of financial assets and impairment losses

The ageing of trade receivables at the period end was:

	Gross 2017 £'000	Provisions 2017 £'000
Not past due	4,388	–
Past due 1–3 months	939	–
	5,327	**–**

(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. Short-term liquidity is reviewed daily by the Treasury function, while the longer-term liquidity position is reviewed on a regular basis by the Board. The Group's Treasury function is also responsible for managing the banking requirements of the Group, managing risk relating to interest rate risk, and managing the credit risk relating to the banking counterparties with which it transacts, including ensuring compliance with any banking covenants. The Group can have significant movements in its liquidity position due to movements in electricity prices and working capital requirements.

The Group's 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 Company'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:

As at 31 March 2017 **Non-derivative financial liabilities**	Nominal interest rate	Year of maturity	Carrying value £'000	Cash flows £'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
Trade payables	–	2017–2018	4,436	4,436	4,436	–	–	–
Bank loan	2.6%	2022	268,621	305,598	36,175	34,376	235,047	–
Amounts payable to related parties	8.0%	2045	153,813	486,814	12,814	12,000	36,000	426,000
Total			**426,870**	**796,848**	**53,425**	**46,376**	**271,047**	**426,000**
Derivative financial liabilities								
Derivatives	0.865%	2022	1,931	9,088	2,300	2,096	4,692	–
Total			**1,931**	**9,088**	**2,300**	**2,096**	**4,692**	**–**

(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.

Market risk – interest rate risk

The Group adopts a policy of ensuring that it is not exposed to changes in interest rates on borrowings as 100% of its debt is on a fixed rate basis, taking into account assets with exposure to changes in interest rates. The Group enters into and designates interest rate swaps as hedges of the variability in cash flows attributable to interest rate risk.

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group does not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the year end would not affect the statement of comprehensive income.

18. Acquisition of subsidiaries

On 8 December 2016 3i Infrastructure plc (3i) acquired the LFG business and its subsidiaries of the Infinis Energy Limited group of companies (the 'Infinis Group') for total cash consideration of £158.0 million, from Infinis Energy Holdings Limited. The acquisition perimeter that was acquired was Infinis plc (now Infinis Limited), Infinis Alternative Energies Limited, Infinis Energy Services Limited, Infinis China (Investments) Limited, Infinis Hydro Holdings Limited and Novera Acquisitions Limited together with all of their direct and indirect subsidiaries, together 'Infinis' (see note 22 for a full list of entities). The acquiring company was Infinis Energy Management Limited (then 3i LFG Limited), the sole subsidiary of the Company, and 100% of the share capital of the entities listed was acquired.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS CONTINUED

FOR THE PERIOD ENDED 31 MARCH 2017

18. Acquisition of subsidiaries continued

Although legal transfer of the Novera Acquisitions Limited sub-group of companies was delayed until 11 May 2017, pending Australian withholding tax clearance and final completion steps, the entities have been consolidated from the acquisition date of 8 December 2016 as management has determined that the Group controlled these entities from this point onwards.

The rationale for the acquisition by 3i was that they acquired a mature business with strong cash flow generative capabilities and the acquisition was in line with 3i's strategy to (1) invest in infrastructure and greenfield projects in developed economies, principally in Europe, and (2) invest in businesses and projects that generate long-term yield and capacity growth. 3i also recognised that there may be opportunities to monetise spare engine and grid connection capacity in light of the decline in gas and electricity output from the current LFG portfolio. No quantifiable synergies were identified in the transaction.

If the acquisition had occurred on 17 October 2016 (date of incorporation) consolidated revenue would have been £71.9 million and consolidated profit before tax for the period would have been £4.8 million.

The Group incurred acquisition related costs of £4,954,000 on legal fees and due diligence costs. These costs have been included in operating exceptional items (see note 5b).

The following table summarises the consideration paid for Infinis and the fair value of assets acquired and liabilities assumed at the acquisition date:

Recognised amounts of identifiable assets acquired and liabilities assumed	Pre-acquisition carrying amounts £'000	Fair value adjustments £'000	Recognised values on acquisition £'000
Property, plant and equipment	85,444	–	85,444
Intangible assets	279,280	83,962	363,242
Inventories	2,758	–	2,758
Trade and other receivables	39,576	–	39,576
Loans to related parties	20,330	–	20,330
Cash and cash equivalents	71,794	–	71,794
Loans and borrowings	(347,803)	(11,626)	(359,429)
Deferred tax liabilities	(25,542)	(25,656)	(51,198)
Provisions	(1,914)	–	(1,914)
Trade and other payables	(31,826)	(218)	(32,044)
Total identifiable net assets acquired	**92,097**	**46,462**	**138,559**
Consideration transferred			158,015
Goodwill			**19,456**

The goodwill of £19.5 million arising from the acquisition is attributable to the workforce and speculative opportunities such as the potential to extend the life of landfill sites, the potential existence of future Government schemes that will aid renewable energy producers, and spare engine and grid connection capacity. Identifiable intangible assets were recognised for landfill gas rights of £353.1 million, technology of £3.6 million and brand of £6.5 million. The landfill gas rights will be amortised in line with a profile that reflects the decline in available gas reserves. Intangibles relating to technology are assumed to have a five year life; the Infinis brand is assumed to have a ten year life.

Measurement of fair values

The valuation techniques used for measuring the fair value of material assets acquired were as follows:

Property, plant and equipment

Cost technique: The valuation model considers depreciated replacement cost and reflects adjustments for physical deterioration as well as functional and economic obsolescence.

Intangible assets

Multi-period excess earnings method (LFG rights); a blended approach comprising the relief-from-royalty and a discounted cost savings method (technology) and the relief-from-royalty method (brand). The multi-period excess earnings method considers the present value of net cash flows expected to be generated, excluding any cash flows relating to contributory assets. The relief-from-royalty method considers the discounted estimated royalty payments that are expected to be avoided as a result of the intangible. The discounted cost savings method considers the cost savings achieved as a result of the intangible.

19. Operating leases and commitments

Non-cancellable operating lease rentals for the Group are payable as follows:

	2017 £'000
Less than one year	1,267
Between one and five years	1,377
More than five years	190
	2,834

Capital commitments

During the period, the Group entered into various contracts relating to the purchase of LFG equipment:

	2017 £'000
Capital commitments contracted but not provided for	987
	987

20. Related parties

(a) Transactions with key management personnel

Directors' shareholdings

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

Remuneration

The remuneration of key management personnel (including the Directors) was as follows:

	2017 £'000
Key management emoluments including social security costs	253
Post employment benefits	10
	263

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:

	2017 £'000
Aggregate emoluments	108
Post employment benefits	6

(b) Other related party transactions

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

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

	Value of transactions 2017 £'000	Outstanding (payable)/ receivable 2017 £'000
3i LFG Holdings Limited	(153,798)	(153,798)
3i LFG Topco Limited	6	6
	(153,792)	**(153,792)**

On 6 December 2016 the Company issued £150.0 million interest-bearing subordinated unsecured loan notes to 3i LFG Holdings Limited, the parent company of its immediate parent company, 3i LFG Topco Limited. The loan notes are due for repayment in 2045 and attract interest at a rate of 8%, payable at half yearly intervals. The remaining transactions with 3i LFG Holdings Limited and 3i LFG Topco Limited relate to professional fees incurred which were later settled by the Company. There were no other transactions between the Company and either 3i or any of the 3i Holding Companies during the period; there were no other balances outstanding between the Company and either 3i or any of the 3i Holding Companies at the period end.

21. Ultimate parent company and parent company of larger Group

3i LFG Topco Limited, a company registered in the Channel Islands, is the Company's immediate parent and sole shareholder. The ultimate parent and controlling entity is 3i Infrastructure plc, a company registered in the Channel Islands.

COMPANY STATEMENT OF FINANCIAL POSITION

	Note	31 March 2017 £'000
Non-current assets		
Investments	22	185,000
		185,000
Current assets		
Debtors	23	3,834
		3,834
Total assets		**188,834**
Non-current liabilities		
Creditors	24	150,000
		150,000
Current liabilities		
Creditors	24	3,834
		3,834
Total liabilities		**153,834**
Net assets		**35,000**
Equity		
Share capital	25	35,000
Profit and loss account		–
Total equity		**35,000**

The financial statements were approved by the Board of Directors on 24 August 2017 and were signed on its behalf by:

M D Holton
Director

S S Pickering
Director

Company number: 10432005

The notes on pages 60 to 63 form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY

	Share capital £'000	Profit and loss account £'000	Total equity £'000
Total comprehensive income	–	–	–
At date of incorporation	–	–	–
Profit for the period	–	–	–
Total comprehensive income	**–**	**–**	**–**
Transactions with owners, recorded directly in equity			
Issue of ordinary shares	35,000	–	35,000
Total contributions by and distributions to owners	**35,000**	**–**	**35,000**
Balance as at 31 March 2017	**35,000**	**–**	**35,000**

NOTES FORMING PART OF THE COMPANY FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2017

Accounting policies

Basis of preparation

Infinis Energy Group Holdings Limited (the 'Company') is a private company incorporated and domiciled in the UK. The Company was incorporated on 17 October 2016 as 3i LFG Midco Limited and subsequently changed its name on 28 February 2017. The Company's registered office is at 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 Financial Reporting Standards as adopted by the EU (Adopted IFRSs), but makes amendments where necessary in order to comply with 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 Group Holdings Limited. The consolidated financial statements of Infinis Energy Group Holdings Limited are prepared in accordance with IFRSs 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 Group Holdings 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 from the date of incorporation to the period ended 31 March 2017.

Measurement convention

The financial statements have been prepared under the historical 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 5 month and 14 day period ended 31 March 2017.

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 period 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.

Accounting policies continued

Impairment

Financial assets (including trade and other receivables)

A financial asset not carried at fair value through profit or loss is assessed at each period 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 of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment, 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 period 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 debtors, 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 debtors

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

Trade and other creditors

Trade and other creditors are carried at cost.

22. Investments

	Shares in group undertakings £'000	Amounts owed by group undertakings £'000	2017 £'000
Cost			
At date of incorporation	–	–	–
Acquisitions	35,000	150,000	185,000
At 31 March 2017	**35,000**	**150,000**	**185,000**

The Company's sole subsidiary, Infinis Energy Management Limited was incorporated on 18 October 2016. On 8 December 2016 Infinis Energy Management Limited acquired the subsidiaries listed in the table overleaf from Infinis Energy Holdings Limited.

On 6 December 2016 Infinis Energy Management Limited issued £150.0 million interest-bearing subordinated unsecured loan notes to the Company. The loan notes are due for repayment in 2045 and attract interest at a rate of 8%, payable at half yearly intervals.

NOTES FORMING PART OF THE COMPANY FINANCIAL STATEMENTS CONTINUED

FOR THE PERIOD ENDED 31 MARCH 2017

22. Investments continued

Directly held by the Company:	
Infinis Energy Management Limited	Incorporated on 18 October 2016
Indirectly held by the Company:	
Aveley Methane Limited	Acquired 8 December 2016, 50% owned
Bidston Methane Limited	Acquired 8 December 2016, 50% owned
Blackborough End Energy Limited	Acquired 8 December 2016
Costessey Energy Limited	Acquired 8 December 2016
CPL Polska Sp. z o.o	Acquired 8 December 2016, incorporated in Poland, 80% owned
Gengas Limited	Acquired 8 December 2016
Infinis (Re-Gen) Limited	Acquired 8 December 2016
Infinis Alternative Energies Limited	Acquired 8 December 2016
Infinis China (Investments) Limited	Acquired 8 December 2016
Infinis Energy Hong Kong Limited	Acquired 8 December 2016, incorporated in Hong Kong,
Infinis Energy Services Limited	Acquired 8 December 2016
Infinis Hydro Holdings Limited	Acquired 8 December 2016
Infinis Hydro Limited	Acquired 8 December 2016
Infinis Limited (previously 'Infinis plc')	Acquired 8 December 2016
Mayton Wood Energy Limited	Acquired 8 December 2016
Novera Acquisitions Limited*	Acquired 11 May 2017
Novera Energy Limited*	Acquired 11 May 2017
Novera Energy Generation No. 1 Limited	Acquired 8 December 2016
Novera Energy Generation No. 2 Limited	Acquired 8 December 2016
Novera Energy Generation No. 3 Limited	Acquired 8 December 2016
Novera Energy (Holdings 1) Limited*	Acquired 11 May 2017
Novera Energy (Holdings 2) Limited	Acquired 8 December 2016
Novera Energy Operating Services Limited	Acquired 8 December 2016
Novera Energy Pty Limited*	Acquired 11 May 2017, incorporated in Australia
Novera Energy Services UK Limited	Acquired 8 December 2016
Novera Ventures Limited*	Acquired 11 May 2017
Renewable Power Generation Limited	Acquired 8 December 2016
Scottish BioFuel Limited	Acquired 8 December 2016, incorporated in Scotland
Scottish BioPower Limited	Acquired 8 December 2016, incorporated in Scotland

* On 11 May 2017 Novera Acquisitions Limited, together with all of its direct and indirect subsidiaries, was transferred to Infinis Energy Management Limited, the direct subsidiary of the Company, under an Amendment Agreement in respect of the Share Purchase Agreement dated 29 October 2016. Although legal transfer of these entities was delayed until 11 May 2017 pending Australian withholding tax clearance and completion of final steps, the entities have been consolidated from the acquisition date of 8 December 2016 as management has determined that the Group controlled these entities from this point onwards.

The subsidiary undertakings operate and were incorporated in England and Wales, and were 100% owned, unless otherwise stated, as at 31 March 2017. The voting rights are the same as the percentage holding. The registered office addresses of the subsidiaries are as follows:

England and Wales:
First Floor
500 Pavilion Drive
Northampton Business Park
Northampton
NN4 7YJ

Scotland:
c/o Brodies LLP
15 Atholl Crescent
Edinburgh
EH3 8HA

Hong Kong:
Level 54
Hopewell Centre
183 Queen's Road East
Hong Kong

Australia:
17 Carter Street
Cammeray NSW
2062 Australia

Poland:
ul. Lwowska 10/21
00–107 Warszawa
Poland

23. Debtors

	2017 £'000
Amounts owed by Group companies	3,813
Amounts owed by related parties	21
	3,834
Current	3,834

24. Creditors

	2017 £'000
Amounts owed to Group companies	21
Amounts owed to related parties	153,813
	153,834
Non-current	150,000
Current	3,834

On 6 December 2016 the Company issued £150.0 million interest-bearing subordinated unsecured loan notes to 3i LFG Holdings Limited, the parent company of its immediate parent company 3i LFG Topco Limited. The loan notes are due for repayment in 2045 and attract interest at a rate of 8%, payable at half yearly intervals.

25. Share capital

	Issued share capital 2017 Number	Aggregate nominal value 2017 £'000
Allotted, called up and fully paid		
At date of incorporation – ordinary share of £1	1	–
Shares issued during the period for cash – ordinary shares of £1 each	35,000,000	35,000
At 31 March 2017	**35,000,001**	**35,000**

On 2 December 2016 the Company issued 35,000,000 ordinary shares to the sole shareholder 3i LFG Topco Limited for £35,000,000. The holder of the ordinary shares is entitled to receive dividends as declared from time to time and is entitled to one vote per share at meetings of the Company.

26. Related party disclosures

3i LFG Topco Limited, a company registered in Jersey, is the Company's immediate parent and sole shareholder. The ultimate controlling entity is 3i Infrastructure plc, a company registered in Jersey. Please refer to note 20 for further details in relation to related parties.

27. Post balance sheet events

On 9 June 2017 the £150.0 million loan notes issued by Infinis Energy Group Holdings Limited to 3i LFG Holdings Limited were admitted to listing on the Channel Islands stock exchange (TISE).

GLOSSARY/DEFINITIONS

The following definitions apply throughout the annual report and accounts unless the context requires otherwise:

3i	3i Infrastructure plc, the Company's ultimate shareholder
3i Group	the group of companies of which 3i Group plc is the parent or for which any such company is investment adviser
AFR	accident frequency rate
ASP	average selling price defined as RO and NFFO revenue recognised in the period divided by exported power. It includes an element of ROC revenue, known as the recycled element, which is received following the publication of the recycle price by Ofgem
Audit Committee	the audit committee of the Board
Bank facility	bank facility of £276,700,000 provided by six financial institutions to the Governing Company
BEIS	Department for Business, Energy and Industrial Strategy
Board	the Board of Directors of the Company
CFO	Chief Financial Officer
CGU	cash generating unit
Companies Act	the UK Companies Act 2006
Company or Infinis	Infinis Energy Group Holdings Limited, a Company incorporated in England and Wales with registered number 10432005 whose registered office is at First Floor, 500 Pavilion Drive, Northampton Business Park, Northampton, NN4 7YJ
Corporate Governance Policy	formal policy of the governance arrangements of the Infinis Group approved by the Governing Board and 3i
CSR	corporate and social responsibility
Directors	the Executive and Non-executive Directors of the Company
EBITDA	earnings before interest, tax, depreciation, amortisation and impairment
EBITDA before operating exceptional items	earnings before interest, tax, depreciation, amortisation, impairment, and before operating exceptional items
European Union or EU	an economic and political union of 27 Member States which are located primarily in Europe
Executive Committee	the Executive Committee of the Governing Board
FCA	the UK Financial Conduct Authority
FY16	the financial year ended 31 March 2016
FY17	the financial period ended 31 March 2017
FY18	the financial year ending 31 March 2018
GAAP	Generally Accepted Accounting Practice
Governing Board	the Board of Directors of the Governing company
Governing Company	Infinis Energy Management Limited
Government	the government body of the UK
Group	the Company and its subsidiaries within the meaning of section 1162 of the Companies Act 2006
GWh	gigawatt hour
HS&E	health, safety and environmental
HSQ&EC	health, safety, quality and environmental compliance
IAS	International Accounting Standard

IFRSs	International Financial Reporting Standards as adopted by the European Commission for use in the European Union
Infinis Energy Group	the Infinis Energy Limited group of companies
Infinis Group	the Company and its subsidiaries
IT	information technology
kWh	kilowatt hour
MW and MWh	megawatt and megawatt hour
NFFO	Non-Fossil Fuel Obligation
Ofgem	Office of Gas and Electricity Markets
Ordinary shares	the ordinary shares with a nominal value of £1 each in the capital of the Company
Relevant Interest	(i) 10% or more of the ordinary shares; (ii) 10% or more of the shares in any parent undertaking of the Company; or (iii) 10% or more of the voting power in the Company or any parent undertaking of the Company, and for the purposes of calculating a Relevant Interest, the holding of shares or voting power of a person includes any shares or voting power held by another person, if they are acting in concert
Remuneration Committee	the remuneration committee of the Board or a sub-committee of it
RIDDOR	the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations
RO	Renewables Obligation, the financial mechanism by which the Government incentivises the deployment of large-scale renewable electricity generation by placing a mandatory requirement on licensed UK electricity suppliers to source a specified and annually increasing proportion of electricity they supply to customers from eligible renewable sources or pay a penalty
ROC	Renewables Obligation Certificate
RoSPA	Royal Society for the Prevention of Accidents
Senior management	as defined in section 414(C) of the Companies Act
Senior Management Team (SMT)	the team of individuals who have the day-to-day responsibilities of managing the Company
Shareholder	a holder of ordinary shares
Shareholder Directors	Tim Short, Daniel Schulenburg and Oscar Tylegard
TWh	terawatt hour
UK	the United Kingdom of Great Britain and Northern Ireland
VAT	value added tax
Walker Guidelines	The Guidelines for Disclosure and Transparency in Private Equity published by the Private Equity Reporting Group
Website	www.infinis.com

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