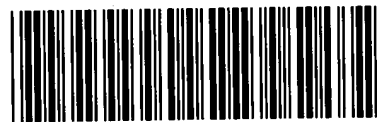


REGISTERED NUMBER: 07056616 (England and Wales)

GREEN FROG POWER LIMITED

**GROUP STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2018**

TUESDAY



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GREEN FROG POWER LIMITED (REGISTERED NUMBER: 07056616)

**CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2018**

	Page
Company Information	1
Group Strategic Report	2
Report of the Directors	3
Statement of Directors' Responsibilities	4
Report of the Independent Auditors	5-6
Consolidated Income Statement	7
Consolidated Statement of Other Comprehensive Income	8
Consolidated Statement of Financial Position	9
Company Statement of Financial Position	10
Consolidated Statement of Changes in Equity	11
Company Statement of Changes in Equity	12
Consolidated Statement of Cash Flows	13
Notes to the Consolidated Statement of Cash Flows	14
Notes to the Consolidated Financial Statements	15-27

GREEN FROG POWER LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 MAY 2018

DIRECTORS:

D P G Bates
J M Entract
C A Garcia
J E Hall-Smith
M W Jones
J W K Taylor
H R Townshend

REGISTERED OFFICE:

Unit 17 The Courtyard
Gorsey Lane
Coleshill
Birmingham
B46 1JA

REGISTERED NUMBER:

07056616 (England and Wales)

AUDITORS:

Ernst & Young LLP
Statutory Auditor
No 1 Colmore Square
Birmingham
B4 6HQ

BANKERS:

Lloyds Bank plc
Units 2 & 3 Caxton Gate
36/38 New Street
Birmingham
West Midlands
B2 4LP

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MAY 2018**

The directors present their strategic report for the year ended 31 May 2018.

REVIEW OF BUSINESS

The Group consists of Green Frog Power Limited and its 100% owned subsidiary company, Green Frog Power 214 Limited, and its joint venture, Northwick Power Generation No 1 Limited.

The Group provides Short Term Operating Reserve (STOR) services to National Grid, comprising 214MW of STOR from twelve sites across England and Wales. This is the group's fifth full year of trading.

The Group has maintained excellent levels of availability but received no utilisation requests from National Grid. The Group has been able to utilise its surplus capacity on site to generate successfully during all three Triads and thereby contributing a further £5.0m gross profit. The Group continues to trade power from its surplus capacity.

As planned the Group has repaid a further £4.3m of the senior term loan facility and £0.7m of junior facility during the year.

The Group continues to perform in line with its plans and the directors look forward to continued success in the coming year.

PRINCIPAL RISKS AND UNCERTAINTIES

(1) Operating Risk

The Group's main operating activity is its STOR project, on which it has secured 15-year contracts (of which 8 years remain) with National Grid. The business model is based on the minimum amounts receivable under these contracts. The major business risk is failure to be available to National Grid as and when required. The directors seek to minimise this risk by maintaining all plant and machinery to the highest possible standards and by testing the operational capability on a regular basis. All generator maintenance is carried out in line with manufacturer's specifications.

(2) Regulatory Risk

In January 2018 environmental permitting regulations were amended by the government to implement Specified Generator Regulations. This restricts the running hours for unabated diesel emissions to 50 hours per year. The directors are satisfied that the Group can fulfil its STOR contract within these constraints.

There remains a risk that future changes in regulation could impact negatively on the business.

(3) Financial Risk

The Group's principal financial investments comprise cash, cash equivalents and loans. Other financial assets and liabilities, such as trade creditors and trade debtors, arise directly from the Group's operating activities.

The main risks associated with the Group's financial assets and liabilities are set out below:

Interest rate risk

Interest on the Group's senior loan is LIBOR-linked. The Group uses interest rate derivatives to reduce its exposure to volatility in interest payments.

Credit risk

The Group has external debtors, however, the Group undertakes assessments of its customers in order to ensure that credit is not extended where there is a likelihood of default.

Liquidity risk

The Group aims to mitigate liquidity risk by managing cash generated by its operations.



D P G Bates - Director

27/6/19

Date:

GREEN FROG POWER LIMITED (REGISTERED NUMBER: 07056616)

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MAY 2018**

The directors present their report with the financial statements of the company for the year ended 31 May 2018.

DIVIDENDS

An interim dividend of £1,568,000 was paid on 20 April 2018 to GFP (Holdings) Limited and on 27 April 2018 a further dividend of £1,632,000 was paid to InfraRed Environmental Infrastructure Fund LLC.

The directors do not recommend payment of a final dividend.

The total distribution of dividends for the year ended 31 May 2018 was £3,200,000.

DIRECTORS

The directors shown below have held office from 1 June 2017 to the date of this report.

J E Hall-Smith
M W Jones
J W K Taylor
H R Townshend

The directors shown below resigned/were appointed during the period from 1 June 2017 to the date of this report.

Appointed

D P G Bates (12 October 2018)
J M Entract (6 February 2019)
C A Garcia (6 February 2019)

Resigned

N G Beaumont (26 September 2018)
G I Craig (6 February 2019)
G Bellizia (6 February 2019)
A P Stone (31 May 2019)

DISCLOSURE IN THE STRATEGIC REPORT

The directors have produced a strategic report for the year ended 31 May 2018.

In accordance with the Companies Act 2006 section 414C(ii), the disclosure of principal risks and uncertainties has been included in the strategic report.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

AUDITORS

The auditors, Ernst & Young LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



D P G Bates - Director

Date:

27/6/19

**STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 MAY 2018**

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standards 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 the company and the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF GREEN FROG POWER LIMITED

Opinion

We have audited the financial statements of Green Frog Power Ltd ('the company') and its subsidiaries ('the group') for the year ended 31 May 2018 which comprise the Consolidated Income Statement, Consolidated Statement of Other Comprehensive Income, Consolidated Statement of Financial Position, Company Statement of Financial Position, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Statement of Cash Flows, and the related notes 1 to 25 including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- * give a true and fair view of the group's and of the company's affairs as at 31 May 2018 and of the group's profit for the year then ended;
- * have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- * have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- * the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- * the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF GREEN FROG POWER LIMITED

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- * the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- * the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

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

- * adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- * the 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditors report.

Use of our report

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.

Ernst & Young LLP

Andy Williams (Senior statutory auditor)
for and on behalf of Ernst & Young LLP
Birmingham

Date *15 JULY 2019*

GREEN FROG POWER LIMITED (REGISTERED NUMBER: 07056616)

**CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 MAY 2018**

	Notes	YEAR ENDED 31/05/18 £	PERIOD 1/4/16 to 31/05/17 £
TURNOVER		18,028,961	21,810,841
Cost of sales		(718,392)	(3,165,545)
GROSS PROFIT		17,310,569	18,645,296
Administrative expenses		(4,960,690)	(5,735,987)
		12,349,879	12,909,309
Exceptional costs	4	(130,589)	-
		12,219,290	12,909,309
Other operating income		34,093	6,165
OPERATING PROFIT	5	12,253,383	12,915,474
Share of income in joint venture		173,750	85,564
		12,427,133	13,001,038
Interest receivable and similar income	6	128,108	-
		12,555,241	13,001,038
Interest payable and similar expenses	7	(4,272,582)	(5,249,505)
PROFIT BEFORE TAXATION		8,282,659	7,751,533
Tax on profit	8	(1,192,029)	(1,328,644)
PROFIT FOR THE FINANCIAL PERIOD		7,090,630	6,422,889
Profit attributable to: Owners of the parent		7,090,630	6,422,889

The notes form part of these financial statements

GREEN FROG POWER LIMITED (REGISTERED NUMBER: 07056616)

**CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MAY 2018**

	YEAR ENDED 31/05/18 £	PERIOD 1/4/16 to 31/05/17 £
PROFIT FOR THE PERIOD	7,090,630	6,422,889
OTHER COMPREHENSIVE INCOME		
Remeasurement gain/(loss) on IR swap	77,540	142,382
Remeasurement gain/(loss) on RPI swap	991,519	(1,082,252)
Deferred tax relating to derivative	1,954	(281,769)
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF INCOME TAX	1,071,013	(1,221,639)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	8,161,643	5,201,250
Total comprehensive income attributable to: Owners of the parent	8,161,643	5,201,250

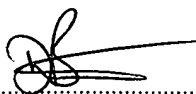
The notes form part of these financial statements

GREEN FROG POWER LIMITED (REGISTERED NUMBER: 07056616)

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 MAY 2018**

		31/05/18		31/05/17	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	11		51,092,125		52,447,985
Investments	12				
Interest in joint venture					
Share of gross assets			259,814		86,064
			<hr/>		<hr/>
			51,351,939		52,534,049
CURRENT ASSETS					
Stocks	13	332,693		294,440	
Debtors	14	7,160,487		7,228,777	
Cash at bank and in hand		<u>12,320,073</u>		<u>10,332,974</u>	
		19,813,253		17,856,191	
CREDITORS					
Amounts falling due within one year	15	<u>(9,548,471)</u>		<u>(9,411,381)</u>	
NET CURRENT ASSETS			10,264,782		8,444,810
TOTAL ASSETS LESS CURRENT LIABILITIES			<hr/>		<hr/>
			61,616,721		60,978,859
CREDITORS					
Amounts falling due after more than one year	16		(47,317,825)		(52,417,792)
PROVISIONS FOR LIABILITIES	20		(3,348,904)		(2,572,718)
NET ASSETS			<hr/>		<hr/>
			10,949,992		5,988,349
CAPITAL AND RESERVES			<hr/>		<hr/>
Called up share capital	21		2,000		2,000
Share premium	21		4,489,559		4,489,559
Non-distributable reserve	22		(986,602)		(2,057,615)
Retained earnings	22		<u>7,445,035</u>		<u>3,554,405</u>
SHAREHOLDERS' FUNDS			<hr/>		<hr/>
			10,949,992		5,988,349

The financial statements were approved by the Board of Directors on 27/6/19 and were signed on its behalf by:



.....
D P G Bates - Director

The notes form part of these financial statements

GREEN FROG POWER LIMITED (REGISTERED NUMBER: 07056616)

COMPANY STATEMENT OF FINANCIAL POSITION

		31/05/18		31/05/17	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	11		300,492		305,968
Investments	12		4,000,500		4,004,500
			<u>4,300,992</u>		<u>4,310,468</u>
CURRENT ASSETS					
Debtors	14	5,141,360		4,888,175	
Cash at bank and in hand		<u>3,400,986</u>		<u>616,589</u>	
		8,542,346		5,504,764	
CREDITORS					
Amounts falling due within one year	15	<u>(4,086,804)</u>		<u>(3,658,645)</u>	
NET CURRENT ASSETS			4,455,542		1,846,119
NET ASSETS			<u>8,756,534</u>		<u>6,156,587</u>
CAPITAL AND RESERVES					
Called up share capital	21		2,000		2,000
Share premium	21		4,489,559		4,489,560
Retained earnings	22		4,264,975		1,665,027
SHAREHOLDERS' FUNDS			<u>8,756,534</u>		<u>6,156,587</u>
Company's profit for the financial year			<u>5,799,948</u>		<u>6,875,247</u>

The financial statements were approved by the Board of Directors on 27/6/19 and were signed on its behalf by:



.....
D P G Bates - Director

The notes form part of these financial statements

GREEN FROG POWER LIMITED (REGISTERED NUMBER: 07056616)

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MAY 2018**

	Called up share capital £	Retained earnings £	Share premium £	Non distributable reserve £	Total equity £
Balance at 1 April 2016	2,000	3,231,516	4,489,559	(835,976)	6,887,099
Changes in equity					
Dividends	-	(6,100,000)	-	-	(6,100,000)
Total comprehensive income	-	6,422,889	-	(1,221,639)	5,201,250
Balance at 31 May 2017	2,000	3,554,405	4,489,559	(2,057,615)	5,988,349
Changes in equity					
Issue of share capital	-	-	-	-	-
Dividends	-	(3,200,000)	-	-	(3,200,000)
Total comprehensive income	-	7,090,630	-	1,071,013	8,161,643
Balance at 31 May 2018	2,000	7,445,035	4,489,559	(986,602)	10,949,992

The notes form part of these financial statements

GREEN FROG POWER LIMITED (REGISTERED NUMBER: 07056616)

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MAY 2018**

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1 April 2016	2,000	889,780	4,489,559	5,381,339
Changes in equity				
Dividends	-	(6,100,000)	-	(6,100,000)
Total comprehensive income	-	6,875,247	-	6,875,247
Balance at 31 May 2017	2,000	1,665,027	4,489,559	6,156,586
Changes in equity				
Issue of share capital	-	-	-	-
Dividends	-	(3,200,000)	-	(3,200,000)
Total comprehensive income	-	5,799,948	-	5,799,948
Balance at 31 May 2018	2,000	4,264,975	4,489,559	8,756,534

The notes form part of these financial statements

GREEN FROG POWER LIMITED (REGISTERED NUMBER: 07056616)

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MAY 2018**

		YEAR ENDED 31/05/18 £	PERIOD 1/4/16 to 31/05/17 £
	Notes		
Cash flows from operating activities			
Cash generated from operations	1	13,924,580	17,795,480
Interest paid		(3,617,618)	(4,710,914)
Tax paid		(87,429)	(42,965)
Net cash from operating activities		10,219,533	13,041,601
Cash flows from investing activities			
Purchase of tangible fixed assets		(27,364)	(156,917)
Sale of tangible fixed assets		25,161	1,301,779
Net cash from investing activities		(2,203)	1,144,862
Cash flows from financing activities			
Repayment of mortgage		(16,985)	(16,802)
Repayment of senior loan		(4,318,672)	(3,762,998)
Repayment of asset finance facility		-	(972,732)
Repayment of Junior A loan		(575,556)	(611,052)
Repayment of Junior B loan		(119,018)	(97,146)
Equity dividends paid		(3,200,000)	(6,100,000)
Net cash from financing activities		(8,230,231)	(11,560,730)
Increase in cash and cash equivalents		1,987,099	2,625,733
Cash and cash equivalents at beginning of period	2	10,332,974	7,707,241
Cash and cash equivalents at end of period	2	12,320,073	10,332,974

The notes form part of these financial statements

GREEN FROG POWER LIMITED (REGISTERED NUMBER: 07056616)

**NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MAY 2018**

**1. RECONCILIATION OF PROFIT BEFORE TAXATION
TO CASH GENERATED FROM OPERATIONS**

	YEAR ENDED 31/05/18 £	PERIOD 1/4/16 to 31/05/17 £
Profit before taxation	8,282,659	7,751,533
Depreciation charges	1,358,063	1,650,980
Profit on disposal of fixed assets	-	(14,842)
Finance costs	4,144,475	5,249,505
Share of profit in joint venture	(173,750)	(85,564)
Other operating income	-	(6,165)
	<u>13,611,447</u>	<u>14,545,447</u>
(Increase)/decrease in stocks	(38,253)	(87,357)
Decrease in trade and other debtors	145,831	1,999,005
Increase in trade and other creditors	205,555	1,338,385
	<u>13,924,580</u>	<u>17,795,480</u>
Cash generated from operations	<u><u>13,924,580</u></u>	<u><u>17,795,480</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Period ended 31 May 2018	31/05/18 £	31/05/17 £
Cash and cash equivalents	<u>12,320,073</u>	<u>10,332,974</u>
Period ended 31 May 2017	31/05/17 £	31/3/16 £
Cash and cash equivalents	<u>10,332,974</u>	<u>7,707,241</u>

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2018

1. STATUTORY INFORMATION

Green Frog Power Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements are prepared in sterling (£) which is the functional currency of the Company. These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Basis of consolidation

The group financial statements consolidate the financial statements of Green Frog Power Limited and its subsidiary undertakings, Green Frog Power 214 Limited and the Group's interest in Northwick Power Generation No 1 Limited drawn up to 31 May 2018. No income statement is presented for Green Frog Power Limited as permitted by section 408 of the Companies Act 2006.

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.

Judgments in applying accounting policies and key sources of estimation uncertainty

The company makes estimates and assumptions concerning the future. Management are also required to exercise judgement in the process of applying the company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

In preparing these financial statements, the directors have made the following judgements:

- Determine whether leases entered by the company either as a lessor or a lessee are operating leases or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis based on an evaluation of the terms and conditions of the arrangements, and accordingly whether the lease requires an asset and liability to be recognised in the statement of financial position.

- Depreciation and residual values. The Directors have reviewed the asset lives and associated residual values of all fixed asset classes, and in particular, the useful economic life and residual values of fixtures and fittings, and have concluded that asset lives and residual values are appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the assets and project disposal values.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MAY 2018

2. ACCOUNTING POLICIES - continued

Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

Revenue is recognised to the extent that the group obtains the right to consideration in exchange for its performance. All turnover arises in the United Kingdom and is attributable to the continuing principal activities of the group.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Tangible fixed assets

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Such costs includes costs directly attributable to making the asset capable of operating as intended. Depreciation is provided at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life as follows:

- Plant and machinery- 40 years
- High voltage equipment- 50 years
- Office equipment- 5 years
- Motor vehicles- 2 years

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Stocks

Fuel stock is held at average cost or if lower, net realisable value determined by the market price of diesel fuel on 31 May 2018.

Financial instruments

The group uses interest rate swaps to hedge interest rate exposures and RPI swaps to reduce exposure to inflation.

The group applies hedge accounting so that the derivatives are initially recognised at fair value on the date of which the derivative contract is entered into and are subsequently measured at fair value through other comprehensive income. Derivatives are carried as assets when the fair value is positive and as liability when the fair value is negative.

The fair value calculation is provided by The Royal Bank of Scotland and is based on a mid-market price for the derivative instrument on the balance sheet date.

Taxation

Taxation for the period comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MAY 2018

2. ACCOUNTING POLICIES - continued

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the income statement on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to the income statement in the period to which they relate.

Going concern

Based on future cash flow projections for 2019/20 and beyond, the directors have a reasonable expectation that the group has adequate financial resources to continue in business for the foreseeable future. Accordingly, the directors consider that it is appropriate to continue to adopt the going concern in preparing the financial statements.

Interest bearing loans and borrowings

All Interest bearing loans and borrowings which are basic financial instruments are initially recognised at the present value of cash payable to the bank (including interest). After initial recognition they are measured at amortised cost using the effective interest rate method, less impairment. The effective interest rate amortisation is included in interest payable and similar charges in the income statement.

GREEN FROG POWER LIMITED (REGISTERED NUMBER: 07056616)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MAY 2018**

3. EMPLOYEES AND DIRECTORS

	YEAR ENDED 31/05/18 £	PERIOD 1/4/16 to 31/05/17 £
Wages and salaries	326,300	283,811
Social security costs	41,037	54,490
Other pension costs	10,457	7,917
	<u>377,794</u>	<u>346,218</u>

The average monthly number of employees during the period was as follows:

	YEAR ENDED 31/05/18	PERIOD 1/11/16 to 31/05/17
Operations	<u>8</u>	<u>7</u>

Undertakings that were proportionately consolidated during the period had no employees.

	YEAR ENDED 31/05/18	PERIOD 1/4/16 to 31/05/17
Directors remuneration	<u>£nil</u>	<u>£nil</u>

Directors remuneration was paid by GFPII Limited for the services of the directors in respect of their duties, for both GFPII Limited and to the Company. Management fees charged by GFPII Limited which included a charge for these services amounting to £237,000 (2017 £762,000) are included in administration costs.

4. EXCEPTIONAL COSTS

The costs of £130,589 represent corporate finance services provided in connection with refinancing and company sale.

5. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	YEAR ENDED 31/05/18 £	PERIOD 1/4/16 to 31/05/17 £
Other operating leases	386,589	372,470
Depreciation - owned assets	1,358,063	1,608,980
Profit on disposal of fixed assets	-	(14,842)
Goodwill amortisation	-	6,221
Auditors' remuneration for audit of financial statements	88,705	73,422
Auditor's remuneration for non-audit work excluding Exceptional Costs		
- Taxation services	9,000	8,850
Exceptional costs related to refinancing and company sale		
- Corporate finance services	130,589	-
Foreign exchange differences	-	12,273
	<u></u>	<u></u>

GREEN FROG POWER LIMITED (REGISTERED NUMBER: 07056616)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MAY 2018**

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	YEAR ENDED 31/05/18 £	PERIOD 1/4/16 to 31/05/17 £
Other Interest Receivable & similar income	128,108	-
	<u>128,108</u>	<u>-</u>

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	YEAR ENDED 31/05/18 £	PERIOD 1/4/16 to 31/05/17 £
Bank loan interest	4,220,603	5,230,957
Interest payable	51,979	18,548
	<u>4,272,582</u>	<u>5,249,505</u>

8. TAXATION

Analysis of the tax charge

The tax charge on the profit for the period was as follows:

	YEAR ENDED 31/05/18 £	PERIOD 1/4/16 to 31/05/17 £
Current tax:		
UK corporation tax	<u>415,843</u>	<u>95,103</u>
Deferred tax:		
Origination and reversal of timing differences	917,283	1,542,296
Effect of changes in tax rate	(91,548)	(300,371)
Adjustments in respect of prior year	(49,549)	(8,384)
	<u>776,186</u>	<u>1,233,541</u>
Total deferred tax	<u>776,186</u>	<u>1,233,541</u>
Tax on profit	<u>1,192,029</u>	<u>1,328,644</u>
Other comprehensive income items:		
Deferred tax charge/ (credit)	<u>(1,954)</u>	<u>281,769</u>

GREEN FROG POWER LIMITED (REGISTERED NUMBER: 07056616)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MAY 2018**

8. TAXATION - continued

Reconciliation of total tax charge included in profit and loss

The tax assessed for the period is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	YEAR ENDED 31/05/18 £	PERIOD 1/4/16 to 31/05/17 £
Profit before tax	<u>8,282,659</u>	<u>7,751,533</u>
Profit at the standard rate of corporation tax in the UK of 19% (2017 - 19.857%)	1,573,705	1,539,221
Effects of:		
Expenses not deductible for tax purposes	20,889	115,182
Tax rate changes	(91,548)	(300,371)
Adjustment in respect of prior periods	(279,959)	(8,384)
Share of joint venture profit already taxed	(33,012)	(17,004)
	<u>1,190,075</u>	<u>1,328,644</u>
Total tax charge	<u>1,190,075</u>	<u>1,328,644</u>

Tax effects relating to effects of other comprehensive income

	YEAR ENDED 31/5/18		
	Gross £	Tax £	Net £
Remeasurement gain/(loss) on IR swap	991,519	-	991,519
Remeasurement gain/(loss) on RPI swap	77,540	-	77,540
Deferred tax	-	1,964	1,964
	<u>1,069,059</u>	<u>1,964</u>	<u>1,071,023</u>
	1/4/16 TO 31/5/17		
	Gross £	Tax £	Net £
Remeasurement gain/(loss) on IR swap	142,382	-	142,382
Remeasurement gain/(loss) on RPI swap	(1,082,252)	-	(1,082,252)
Deferred tax	-	(281,769)	(281,769)
	<u>(939,870)</u>	<u>(281,769)</u>	<u>(1,221,639)</u>

GREEN FROG POWER LIMITED (REGISTERED NUMBER: 07056616)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MAY 2018**

8. TAXATION - continued

Factors that may affect future tax charges

It was announced in the budget of 16 March 2016 to reduce the rate of Corporation Tax to 17% from 1 April 2020. This change was substantially enacted on 6th September 2016. The deferred tax balances have been calculated using the substantially enacted rates applicable at the time when any deferred tax balances are expected to reverse.

The deferred tax assets and liabilities have been measured at 18% as this is the expected rate at which the temporary differences are likely to reverse.

9. INDIVIDUAL INCOME STATEMENT

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

10. DIVIDENDS

	YEAR ENDED 31/05/18 £	PERIOD 1/4/16 to 31/05/17 £
Interim	<u>3,200,000</u>	<u>6,100,000</u>

GREEN FROG POWER LIMITED (REGISTERED NUMBER: 07056616)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MAY 2018**

11. TANGIBLE FIXED ASSETS

Group	Freehold property £	Plant and machinery £	Totals £
COST			
At 1 June 2017	284,761	58,498,067	58,782,828
Additions	-	27,364	27,364
Disposals	-	(105,639)	(105,639)
At 31 May 2018	284,761	58,419,792	58,704,553
DEPRECIATION			
At 1 June 2017	-	6,334,843	6,334,843
Charge for period	-	1,358,063	1,358,063
Eliminated on disposal	-	(80,478)	(80,478)
At 31 May 2018	-	7,612,428	7,612,428
NET BOOK VALUE			
At 31 May 2018	284,761	50,807,364	51,092,125
At 31 May 2017	284,761	52,163,224	52,447,985
Company	Freehold property £	Plant and machinery £	Totals £
COST			
At 1 June 2017	284,761	112,230	396,991
Additions	-	1,306	1,306
Disposals	-	-	-
At 31 May 2018	284,761	113,536	398,297
DEPRECIATION			
At 1 June 2017	-	91,023	91,023
Charge for period	-	6,782	6,782
Eliminated on disposal	-	-	-
At 31 May 2018	-	97,805	97,805
NET BOOK VALUE			
At 31 May 2018	284,761	15,731	300,492
At 31 May 2017	284,761	21,207	305,968

GREEN FROG POWER LIMITED (REGISTERED NUMBER: 07056616)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MAY 2018**

12. FIXED ASSET INVESTMENTS

Group	Interest in joint venture £
COST	
At 1 June 2017	86,064
Additions	173,750
At 31 May 2018	259,814
NET BOOK VALUE	
At 31 May 2018	259,814
At 31 May 2017	86,064

Interest in joint venture

Green Frog Power Limited holds 50% of the issued share capital of Northwick Power Generation No 1 Limited, a company incorporated in the United Kingdom.

Company	Shares in Group Undertaking £
COST	
At 1 June 2017	4,004,500
Disposals	(4,000)
At 31 May 2018	4,000,500
NET BOOK VALUE	
At 31 May 2018	4,000,500
At 31 May 2017	4,004,500

Interest in joint venture

Green Frog Power Limited holds 50% of the issued share capital of Northwick Power Generation No 1 Limited, a company incorporated in the United Kingdom.

Disposal of interest in GF Power Peaking Limited

On 21st December 2017 Green Frog Power Limited disposed of its interest in GF Power Peaking Limited.

GREEN FROG POWER LIMITED (REGISTERED NUMBER: 07056616)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MAY 2018**

13. STOCKS

	31/5/18	Group	31/5/17
	£		£
Gas oil	<u>332,693</u>		<u>294,440</u>

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31/5/18	31/5/17	31/5/18	31/5/17
	£	£	£	£
Trade debtors	347,214	922,839	671,006	595,689
Amounts owed by group undertakings	-	-	-	5,698
Amounts owed by joint ventures	1,400,373	1,413,460	1,352,722	1,413,460
Other debtors	3,242,355	2,940,309	2,758,419	2,816,706
Derivative financial instruments	607,636	530,096	-	-
Prepayments and accrued income	1,562,909	1,422,073	4,778	56,622
Corporation Tax	-	-	354,435	-
	<u>7,160,487</u>	<u>7,228,777</u>	<u>5,141,360</u>	<u>4,888,175</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31/5/18	31/5/17	31/5/18	31/5/17
	£	£	£	£
Bank loans and overdrafts (see note 17)	4,900,711	4,668,761	128,690	158,383
Trade creditors	338,686	973,467	122,529	141,208
Amounts owed to group undertakings	215,103	-	3,414,150	3,068,836
Amounts owed to joint ventures	-	288,293	-	-
Corporation tax	421,563	95,103	-	95,103
Other creditors	2,327	454,605	-	19,226
Other taxes & social security costs	1,874,955	1,191,512	378,652	90,416
Directors' current accounts	1,050	-	1,050	-
Accrued expenses	1,794,076	1,739,640	41,733	85,473
	<u>9,548,471</u>	<u>9,411,381</u>	<u>4,086,804</u>	<u>3,658,645</u>

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	31/5/18	31/5/17	31/5/18	31/5/17
	£	£	£	£
Bank loans (see note 17)	45,721,632	49,830,081	-	-
Derivative financial instruments	1,596,193	2,587,711	-	-
	<u>47,317,825</u>	<u>52,417,792</u>	<u>-</u>	<u>-</u>

GREEN FROG POWER LIMITED (REGISTERED NUMBER: 07056616)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MAY 2018**

17. LOANS

Loans repayable, included within creditors, are analysed as follows:

	Group		Company	
	31/5/18	31/5/17	31/5/18	31/5/17
	£	£	£	£
Wholly repayable within five years	128,690	158,383	128,690	158,383
Not wholly repayable within five years	50,493,653	54,340,459	-	-
	<u>50,622,343</u>	<u>54,498,842</u>	<u>128,690</u>	<u>158,383</u>

Details of loans not wholly repayable within five years are as follows:

	Group	
	31/5/18	31/5/17
	£	£
2.3% above LIBOR secured loan repayable on 31 March 2024	34,447,926	37,776,649
12% unsecured junior loan repayable on 30 September 2025	14,213,777	14,597,566
6% unsecured junior loan repayable on 31 March 2025	1,831,950	1,966,244
	<u>50,493,653</u>	<u>54,340,459</u>

18. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group	Non-cancellable operating leases	
	31/5/18	31/5/17
	£	£
Within one year	339,247	310,119
Between one and five years	1,274,109	1,240,474
In more than five years	4,438,875	4,748,993
	<u>6,052,231</u>	<u>6,299,586</u>

19. FINANCIAL INSTRUMENTS

	31/5/18	31/5/17
	£	£
Financial assets at fair value through other comprehensive income		
RPI swap	607,636	530,096
Financial liabilities at fair value through other comprehensive income		
Interest rate swap	(1,596,193)	(2,587,711)

The company has purchased an interest rate swap to manage interest rate risk volatility and an RPI swap to reduce its exposure to inflation risk. The fair values of the assets and liabilities held at fair value through other comprehensive income are provided by The Royal Bank of Scotland and are determined using a mid-market price for the derivative instrument on the balance sheet date.

The RPI swap expires on 31 March 2024. The RPI swap is based on a notional amount of £4,991,834, on which it receives 3.13% per annum fixed return and pays the change in RPI since 2010.

GREEN FROG POWER LIMITED (REGISTERED NUMBER: 07056616)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MAY 2018**

20. PROVISION FOR LIABILITIES

	Group		Company	
	31/5/18	31/5/17	31/5/18	31/5/17
	£	£	£	£
Deferred tax	3,348,904	2,572,718	-	-
Group	Deferred tax £			
Balance at 1 June 2017	2,572,718			
Movement				
Fixed Asset Timing differences	917,283			
Effect of changes in Tax Rate	(91,548)			
Adjustments re prior periods	(49,549)			
Balance at 31 May 2018	3,348,904			

21. CALLED UP SHARE CAPITAL

Allotted and issued:					
Number:	Class:	Nominal value:	31/05/18	31/05/17	
		£0.001	£	£	
2,000,000	Ordinary		2,000	2,000	
Share Premium in respect of the 2,000,000 Ordinary Shares			4,489,559	4,489,559	

22. RESERVES

Equity share capital

This reserve represents the nominal value of shares that have been issued, together with consideration paid in excess of the par value.

Retained earnings

This reserve records all current and prior period retained profit and losses.

Non-distributable reserve

This reserve is used to record the fair value of the company's derivative instruments.

23. PENSION COMMITMENTS

The group operates a defined contribution pension scheme for the benefit of the employees and directors. The assets of the scheme are administered by an independent pensions provider. Pension payments recognised as an expense during the year amount to £10,457 (2017 - £7,917).

GREEN FROG POWER LIMITED (REGISTERED NUMBER: 07056616)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MAY 2018**

24. RELATED PARTY DISCLOSURES

European Investments (GFP) Limited, a company owned by Infrared Capital Partners (Management) LLP, has provided the group with a loan facility of £16,894,677 (2017 - £17,589,251). Details of terms of the unsecured junior loans are included in note 17. The group has drawn down all available funds under this facility.

Included within Revenues for the group are fees charged for the provision of management services to entities with common control:

	31/5/18 £	31/5/17 £
GFPII Limited	420,000	279,996
Green Frog Development Solutions Limited	-	9,996
GFP Trading Limited	-	120,000
GF Genovate Limited	-	35,004
Green Frog Connect Limited	-	24,996
	<u>420,000</u>	<u>469,992</u>

Included within Debtors for the group are amounts receivable for the services provided to the above related entities of £154,999 (31 May 2017 £ 387,277)

Amounts owed to Group Undertakings	31/5/18 £	31/5/17 £
GFPII Limited	206,085	-
Viridis 178 Limited	9,018	-
	<u>215,103</u>	<u>-</u>

25. ULTIMATE CONTROLLING PARTY AND CONTROLLING PARTY

The directors consider the ultimate controlling party to be InfraRed Capital Partners (Management) LLP which is the parent undertaking of the group in which the general partner of each of the several partnerships constituting InfraRed Environmental Infrastructure Fund exists.