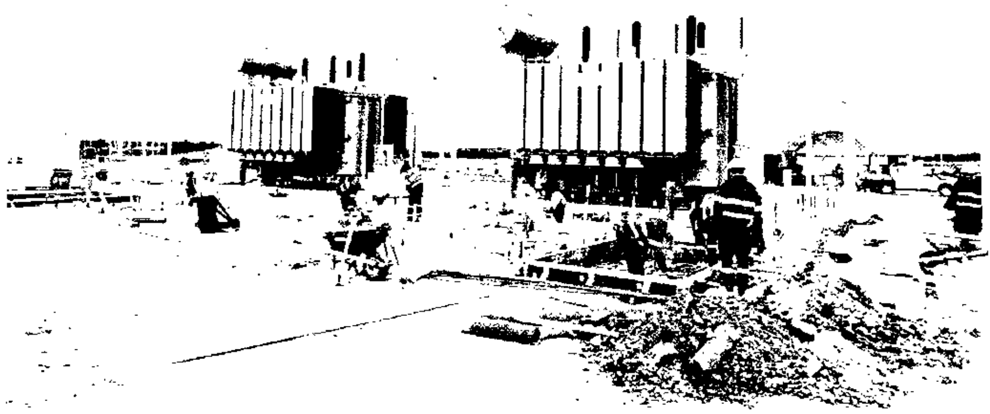

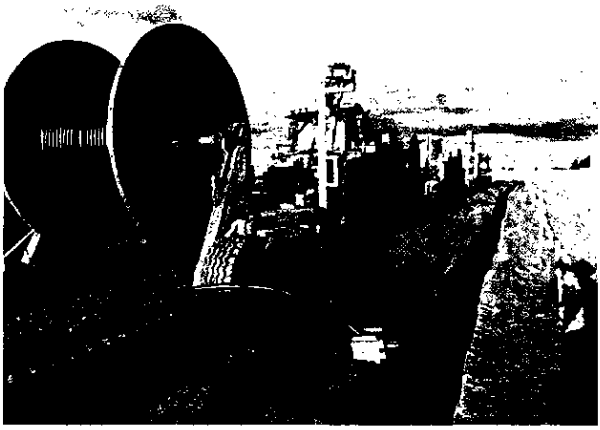

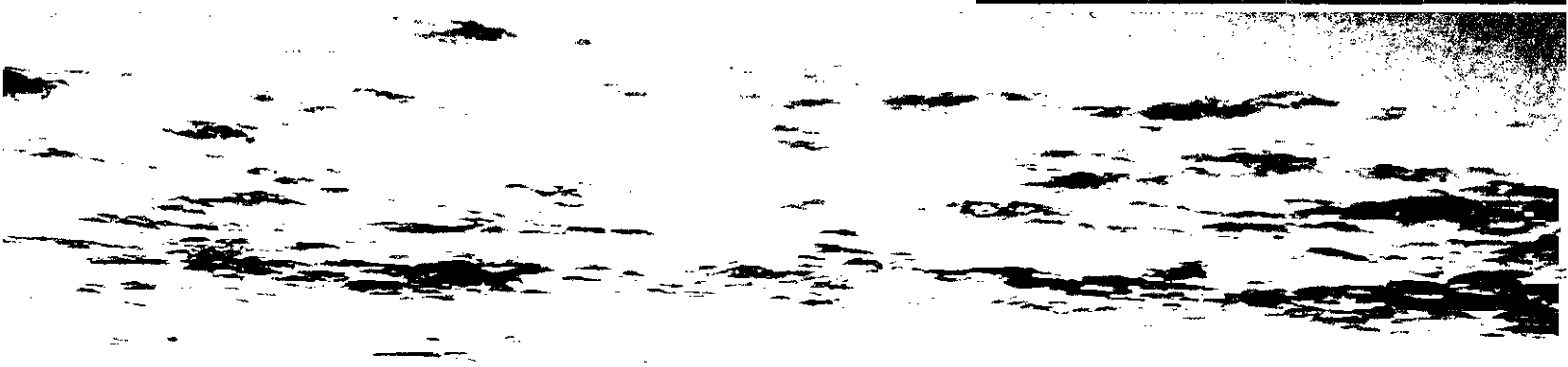

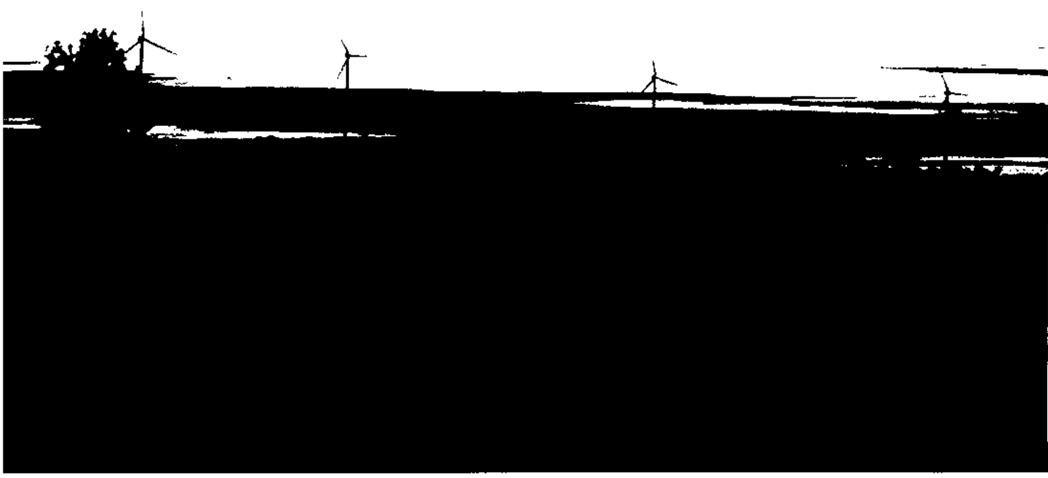

THURSDAY

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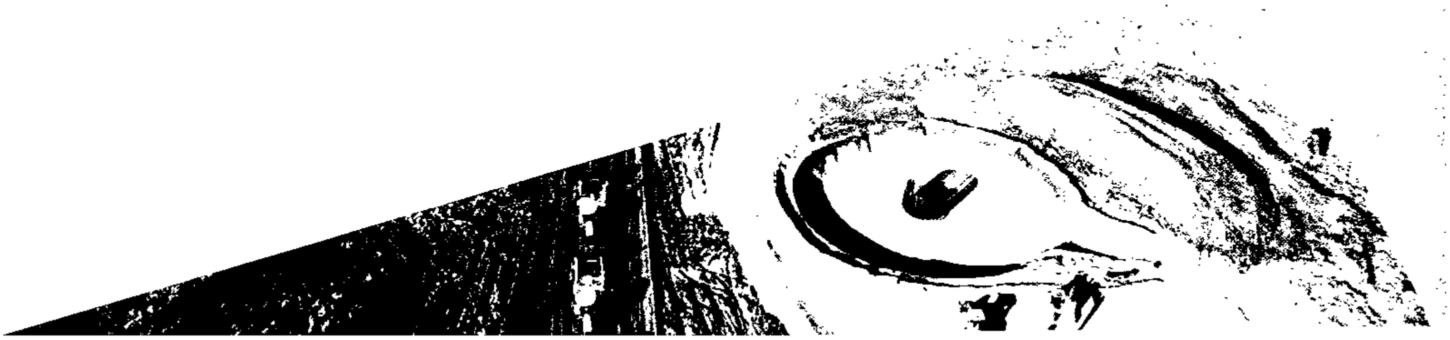
COMPANIES HOUSE

FERN
TRADING

Registered No: 12001676



Group snapshot

Revenue

Revenue has increased by over 12% in the last year from **£712m** in 2022 to **£800m** in 2023

Carbon offsets

Our renewable energy sites' carbon saving is over **681,101** carbon tonnes this year

Energy generation

Our renewable energy assets produce enough energy to power over **a million** UK homes

Number of loans

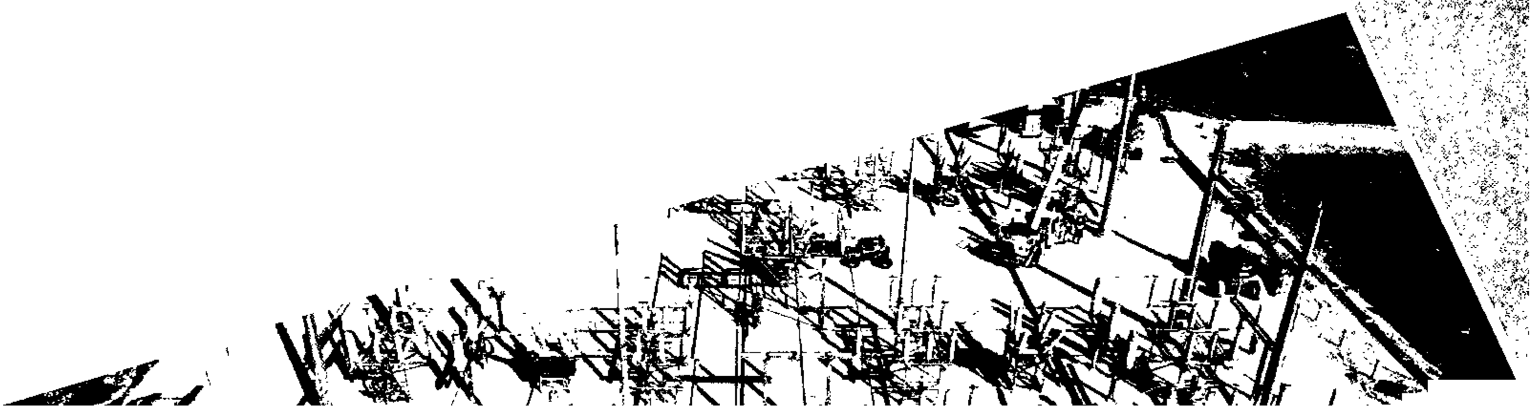
Over the year we provided financing to, on average **224** borrowers in the UK

Number of employees

We employ over **1,500** people

Number of sites

We own **229** energy sites spread predominantly across the UK



Directors Report'

Fern Trading Limited (the "Company"), together with its subsidiaries (the "Group"), targets consistent growth for shareholders over the long term, with a focus on steady and predictable growth, comprising more than 330 companies that operate across a range of industries. The Group has been trading for 13 years, successfully navigating the economic cycles and market volatility over this period. Our Group has established a stable presence in the sectors of operation and we expect to continue to perform predictably in these sectors.

The UK faced a challenging economic backdrop over the financial year. Our Group has continued to demonstrate resilience, though it was not immune to the challenging market conditions of the sectors it operates in. The financial results for the period indicate an accounting loss; this is primarily due to capital deployment into newer, less mature parts of the Group, which are expected to deliver profit growth in the future. Extraordinary costs incurred in the year have a further impact on the Group results.

Our renewable energy business is now a mature and [illegible] established sector for [illegible] generating consistent revenues. Our growth strategy [illegible] [illegible] fibre and housebuilding divisions have contributed to an accounting loss this year and [illegible] [illegible] to deliver growth in profits in future years.

Our Group comprises energy, property lending, fibre and housebuilding, which includes retirement living. We have grown to be a significant presence within our mature sectors, producing 4.[illegible] of the UK's solar energy and 2.[illegible] of the UK's onshore wind energy output. We have built a property lending business with a book of £174m at year end, which helps to support the construction and improvement of homes and commercial spaces throughout the UK. The businesses in our growing fibre and housebuilding divisions are establishing themselves as important providers in their markets and remain [illegible] [illegible] [illegible] [illegible].

The Company's share price delivered 3.10% growth over the past 12 months, a steady increase when compared with the exceptional growth of 10% for the prior year. Over the longer term, we expect the Group to return to our target annual growth. The five-year average annualised share price growth is 4.83%, ahead of our target 4.00% annual growth.

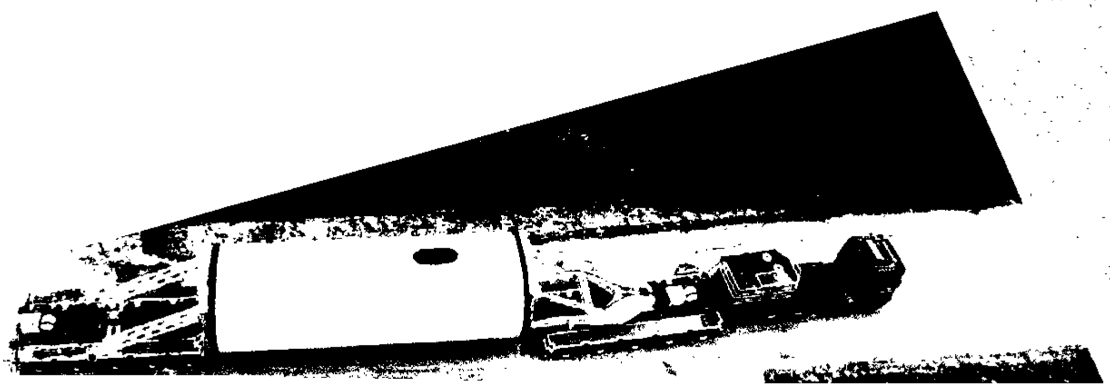
We remain a supportive employer, with an average of 1,500 full-time staff across the businesses that we own and operate, and indirect employment provided for hundreds more people through contracts that we have in place.

A reflection on our year

Our Group delivered £500m of revenue (2022: £722m) while growing capital deployment, with net assets increasing to £2.6[illegible]m at the end of the period (2022: £2.22m restated), led primarily by fixed asset expenditure in our energy and fibre divisions.

Our mature [illegible] sector has generated robust, and we continued to expand newer parts of the Group. As a result, in the current year we report reported an EBITDA of £[illegible]m (2022: £197m) and an accounting loss before tax of £[illegible]m (2022: £[illegible]m), [illegible] [illegible] [illegible]. In particular, these are expected to be [illegible] [illegible] in their early years of construction and operation before delivering profitable in future.

At the start of the period, long-term energy price forecasts and forward fund [illegible] from across the global economy continued to recover from the Covid-19 pandemic, together with seeking alternative sources of energy as a result of the conflict in Ukraine. Alongside high inflation, these factors have increased the value of the various energy assets in the Group and in turn, the share price of the Group.



Directors Report'

1. Energy

Approximately 50% of the Group's net assets comprise energy generating assets such as solar energy sites and wind farms. These assets provide long-term revenue streams, though their value can still be impacted by changes in pricing and demand. Our energy sector is intentionally diversified across a range of technologies to mitigate against less favourable conditions in a specific asset class and contribute towards steady, predictable share price growth.

We expanded our solar portfolio with further additions in Zestec, which specialises in developing commercial solar rooftop sites in the UK. These sites are currently under construction, and we expect to retain and operate them once complete. The construction of Guardbridge, our wind farm in Poland, remains on track and on budget and we expect it to start generating electricity by December 2023. Dulacca Wind Farm, our largest-scale construction project in Western Australia started generating electricity after year end and was subsequently sold in October 2023. At the beginning of the financial year in July 2022 we also completed the construction and sale of Darlington Point Solar Farm, one of the largest solar sites in Australia with a capacity of 333MW.

Our successful and well established biomass division continues to perform well, delivering stable returns since acquisition in 2015. We added a new site at Snetterton in East Anglia in April 2021, which has performed well since acquisition. Though it suffered some months of operational downtime following a gearbox fault, the insurance claim for replacement parts and loss of revenue was settled in full.

Construction at our Waste-to-Energy facility in Ayrshire has progressed as planned, with completion expected in 2025. The facility has been in development for four years and will be capable of processing over 180,000 tonnes per annum of non-recyclable household, commercial and industrial waste which would otherwise be sent to landfill or exported. This will generate 17 MW of low carbon electricity, enough to power 30,000 homes, and it will be the first large-scale subsidy-free waste-to-energy project in western Scotland.

Our 26 reserve power sites have continued to perform ahead of expectations due to low generation from wind assets over the winter 2022/23 resulting in demand for additional generation to balance the grid.

2. Lending

Our property lending business continues to be a substantial part of the Group, representing around 15% of the Group's net assets, comprising short and medium term secured loans to experienced property professionals. Our average loan book constituted over 224 loans this year to borrowers in the UK.

Our loans are written at conservative loan to value (LTV) levels (below 70%) to protect against a fall in property prices. At the end of the period the average LTV for the loan book was 60%. The turbulent market this year has confirmed the importance of this strategy, which has served the Group well over its 13 year history. We are naturally taking a cautious approach when assessing new lending opportunities considering the changing economic outlook.

Since inception in 2010, the Group has lent £2.49bn of property loans and has had a strong record of recovering its capital. However, the abrupt increase in interest rates in the current year has made it more difficult for some borrowers to refinance at the end of their loan term. This has contributed to a small increase in provisions and at year end, we recorded a provision of £30m against one commercial loan. Though we acknowledge this provision feels noteworthy, for context it amounts to around 1% of the Group's net assets and is an outlier compared to our track record. This does however serve to emphasise the importance of our experience and approach in the sector, including disciplined due

Directors Report'

diligence, conservative loan-to-value ratios, and an ability and willingness to flex activity in the sector during times of economic uncertainty. We will continue to adopt this approach throughout the coming year.

3. Fibre

In March, we successfully consolidated our regional fibre broadband businesses, by merging our four fibre to the premises (FTTP) businesses – [illegible] Fibre, Cosh Fibre, [illegible] and AllPoints Fibre into a new business, Fern Fibre Trading Limited (FFTL). Given wider market consolidation and opportunities in the market, it made economic sense to bring together these separate businesses now rather than later. As part of this, post year end, we undertook a restructuring exercise to realise some operating efficiencies, including a reduction in FFTL's overall headcount.

In the year we continued to invest capital in expanding our ultrafast FTTP broadband networks. The geographic focus of our networks is the Home Counties, the South and South West of England, Yorkshire and the Midlands. In doing so we provide connectivity to homes and businesses throughout the UK using networks owned by other operators. [illegible] the business is generating revenue from residential customers and small businesses, who benefit from the ultrafast connectivity offered by fibre [illegible].

The [illegible] in our fibre business has resulted in a [illegible] in the carrying value of the Group's investment in the infrastructure.

4. Housebuilding

Our housebuilding division remains an important part of the Group's strategy [illegible] and is comprised of Bua Homes [illegible] housebuilding business, [illegible] and Rangeford [illegible] our retirement living business.

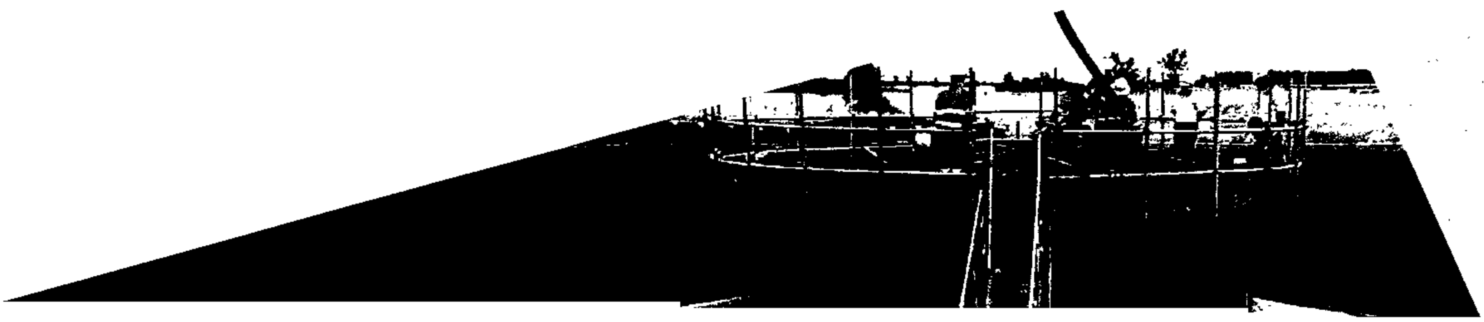
Bua develops mid-market family homes in South East commuter towns and villages and [illegible] delivery in line with budget despite challenging conditions across the industry. We plan to grow it in a measured way, organically and via strategic acquisitions over the next five years, a strategy solidified by the acquisition of Millwood Designer Homes, which expanded Bua's footprint to East Sussex and Kent. Its ambition remains to deliver [illegible] homes per year.

Rangeford continues to expand its portfolio with three villages fully open and additional villages under construction in Chertsey and Stapleford (near Cambridge), due to open in 2024 and 2025 respectively. We are excited by the opportunities for growth in this sector with two further sites acquired in Dorking and East Grinstead. The design work for these villages is well underway.

Inflation and Interest rates

HM Treasury forecasts that inflation is likely to remain above the Bank of England's target until 2025. [illegible] relatively short periods of high inflation such as this would not be expected to have a material impact on Group [illegible] [illegible] in our energy business, the value of our renewable energy assets is determined [illegible] projected future cash flows over the life of the respective assets. [illegible] the outlook for long-term inflation were to increase, the impact on our share price should be positive, as increased inflation will increase the revenue each [illegible] would deliver [illegible] interest [illegible].

The rise in interest rates is seen as a return to normal after a prolonged period of low rates. The impact of this on our business has been modest [illegible] [illegible] experienced significant [illegible] interest rates [illegible] [illegible] interest rate [illegible] interest rates increased. [illegible]



Directors Report'

resulted in our renewables assets' loans continuing to incur low interest costs, at a rate fixed when interest rates were lower.

Rising interest rates are felt more closely in our lending business and as such we continue to take a cautious approach in this sector. We can, and do, reduce the number of loans we write or alter the risk profile of our loans through reducing loan to value ratios, or pausing activity in certain parts of the market, as appropriate.

Current trading and outlook

Since the year end, the Group has continued to perform steadily from an operational perspective and in line with our expectations. Our growth targets for the Group over the medium and long-term remain unchanged, and we continue to focus on maintaining a diversified business that is capable of delivering predictable growth for shareholders.

In November 2022, the government announced the introduction of an Electricity Generator Levy (EGL), a temporary measure to charge exceptional receipts on high revenues for Groups generating electricity. The levy is in effect from 1 January 2023 until 31 March 2028 and applies to electricity generated from renewable, biomass, and energy from waste sources. The Group was not required to pay EGL in the period, however we do expect to pay this in the next financial year. We had already anticipated the impact on the returns generated from our energy portfolio over the next five years.

Our property lending business continues to perform strongly with a diverse loan book comprising 224 loans on average. We focus on short term loans (our current loan average term is 20 months) which enables us to swiftly adapt to changes in outlook. We consider this is particularly important in the current economic climate.

Our recently consolidated regional fibre business, Fern Fibre Trading Limited ("FFTL"), continues to build out its network to accelerate full fibre delivery in the UK, while also focusing on sales and marketing activity selling fibre products directly to customers. As it continues to grow and build out its infrastructure, we do not expect it to report an accounting profit in the coming three to five financial years.

We are pleased to report that in October 2023, the Group raised £217m from existing shareholders through an offer to subscribe for further shares. The funds raised will allow the Group to grow slightly ahead of plans in certain sectors, however we do not expect this to materially change our business mix, which will continue to evolve in order to continue to target modest growth for shareholders in the years ahead.

"Our mix of business areas has developed over time, driven by the overarching importance we place on meeting the objectives of our shareholders."

Our business at a glance

Fern Trading Limited is the parent company of nearly 330 subsidiaries (together the "Group"). The Group operates across four key areas: energy, lending, fibre and housebuilding, which includes retirement living. Over the past 15 years we have built a carefully diversified group of operating businesses that are well positioned to deliver long-term value and predictable growth for our shareholders.

1. Energy division

We generate power primarily from sustainable sources and sell the energy produced either directly to industrial consumers or to large networks. Many of our renewable energy sites qualify for government incentives that represent an additional, inflation-linked source of income. We have also utilised our expertise in renewable energy to construct facilities for sale or ongoing operation. At year end the Group had fourteen sites under construction.

2. Lending division

We lend on a short- and medium-term, secured basis to a large number of property professionals and our financing enables customers to build and improve residential and commercial properties.

3. Fibre division

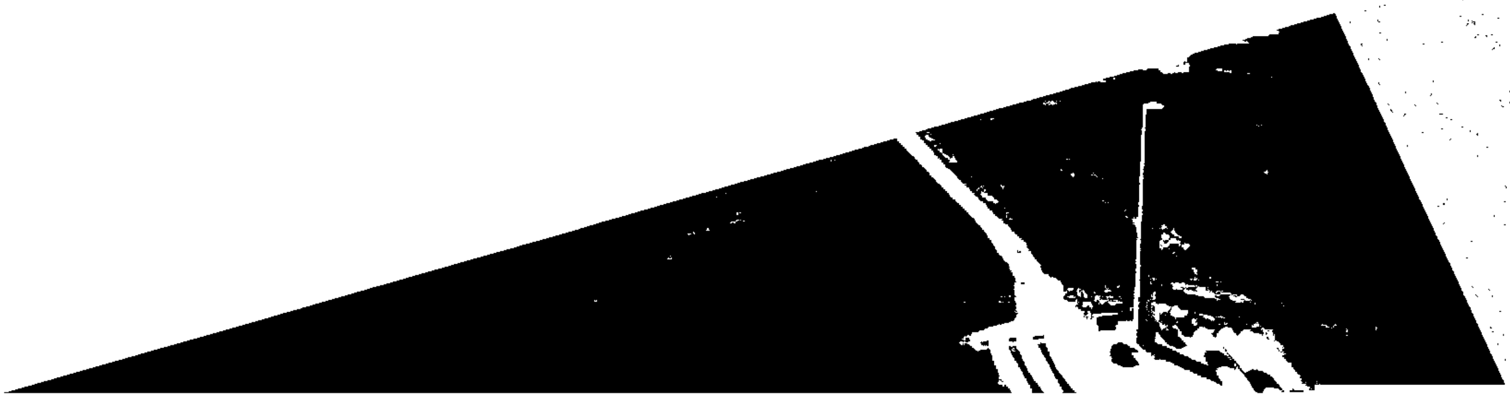
We own and operate fibre broadband networks across various areas of the UK. We build the networks and connect them to homes and businesses to provide our customers with ultrafast fibre broadband.

4. Housebuilding division

Our residential housebuilding operation develops sites from design stage to final construction to ensure the delivery of quality workmanship.

Our retirement villages provide high-quality, contemporary living spaces with a friendly community at the heart of our villages.

Solar, wind, biomass, landfill gas, reserve power	Property lending, development financing	Ultrafast fibre broadband across the UK	Residential house building, Retirement living

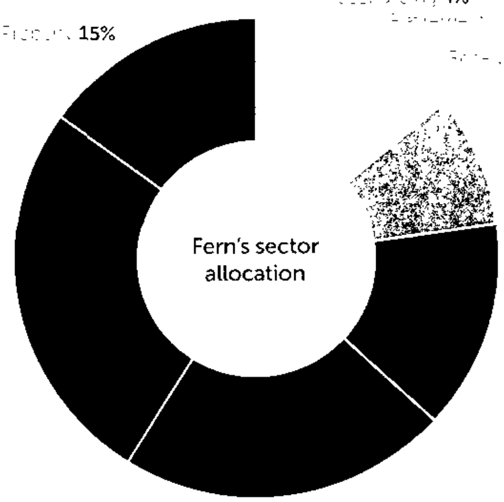


Our business at a glance

The strength of the Group's strategy is in both its operational diversity and the diverse return profiles of these businesses. Our lending business provides flexibility and strong returns over the short term, while our energy, timber, housebuilding and retirement living divisions offer visibility and stability of returns over the longer term.

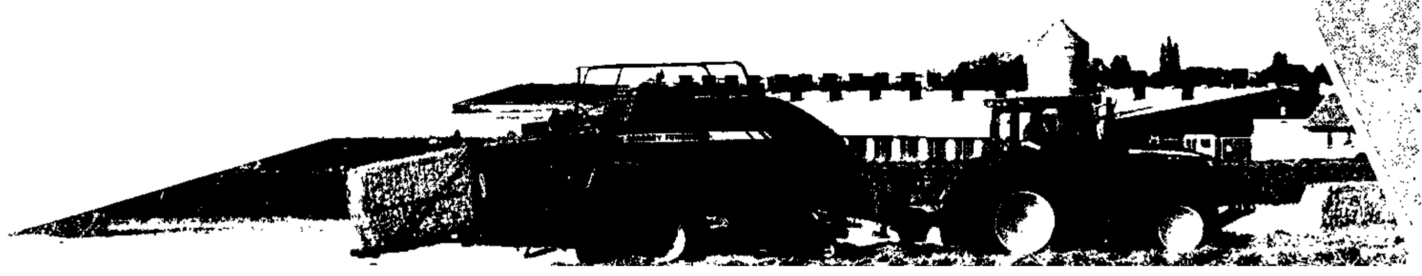
The scale of our business is a key strength, enabling us to acquire large-scale established operations, as well as the opportunity to enter new sectors with minimal risk to the whole Group by selecting businesses with comprehensive business plans and strong management teams. This enables us to continue to diversify our business without compromising the quality of our operations.

Sector split*



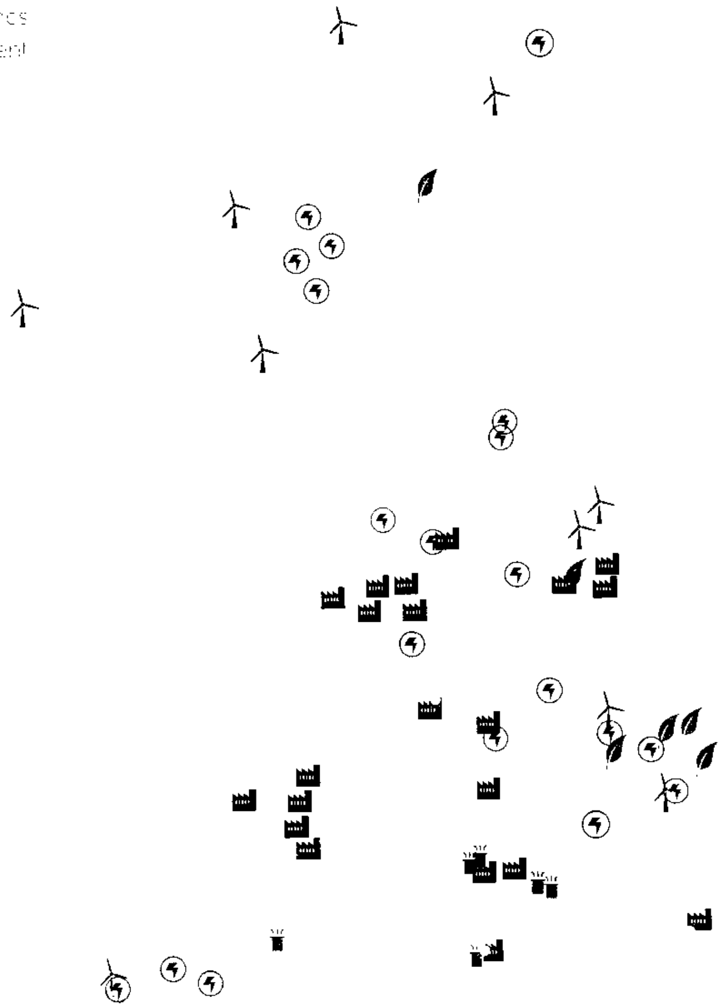
Owning and operating assets	85%
Lending	15%

* [illegible]



Our business at a glance

We are proud that the businesses within our Group make a positive contribution to society, from generating clean energy, to the creation of homes and the provision of quality retirement infrastructure.



[illegible]
- Landfill gas facilities
- Biomass power stations
- Wind farms
- [illegible]
- Retirement villages
- Fibre networks

[illegible] Australia [illegible]

Our business at a glance

We are proud to operate a Group that makes a positive contribution to society across the UK: generating renewable energy, providing quality retirement living and new homes, and delivering high-speed broadband to underserved areas of the country. This is aligned to our environmental, social, and governance ("ESG") policy, which is drafted and approved by the Board of Directors.

Energy

We own 229 operational energy sites, producing 3,069GWh a year. That's enough energy to power over a million homes.

Our combination of technologies across solar, wind, reserve power, biomass and landfill gas complement each other well, helping the UK to meet its energy targets irrespective of the weather.

The Fern Community Fund is a social enterprise run by the Group which works to distribute community funds generated from our wind farms. This year, the Fern Community Fund has committed £1.4m to local community groups, supported 22 local university students through our Student Scholarship Fund, and provided a winter fuel subsidy to 740 residents who are local to the Group's sites.

Lending

The 191 new loans we advanced during the year have helped to fund the construction of much needed residential properties as well as commercial property creating valuable new employment.

Fibre

Within this division we are building full fibre connectivity to hundreds of thousands of properties in small towns and villages that do not currently have access to internet connectivity, ensuring they are fit for modern ways of working and communicating.

In Vorboss, we are building a dedicated high-speed fibre network for businesses in London, providing the digital infrastructure that the city needs, and removing bandwidth constraints to ensure the economy remains competitive.

Housebuilding

Our housebuilding division sources over 74% of the timber utilised for frames in a sustainable way, and installs solar panels or air source heat pumps in all properties, leading the way in this sector and helping reduce carbon emissions.

Our retirement villages provide high quality contemporary living spaces with close to 500 homes currently in place. We have nearly 400 further units in various stages of development, and our secured pipeline sites offer potential for another 300 plus units.

A friendly community is a key differentiator for our retirement villages, which is why our developments provide central facilities and a hub of social activity for our residents.

Our strategy in focus

Energy

Through our energy division, the Group owns and operates energy sites which supply gas and electricity into the network, as well as constructing renewable energy sites for future sale. Of the 229 energy sites that we own and operate, 203 provide renewable energy, contributing to the Group's position as one of the largest generators of renewable energy from commercial scale solar sites in the UK. Renewable energy sites are typically expected to generate stable profits for many years due to low operating costs and revenues being linked to inflation. As such owning and operating these businesses is attractive to the Group because of their potential to deliver predictable profits over the long term.

Renewable energy sites generate power from sustainable sources, with the energy produced either directly to large industrial consumers or to the network. Many of our renewable energy sites also qualify for government incentives, which means a premium on the generated energy benefits from rates that are fixed for a specified period, since a subsidy level is guaranteed and accreditation has been granted. This has reduced some of the impact of the volatility in short-term energy price forecasts. All new sites built in the UK do not qualify for the same historic government incentives but we are seeing more interest in the market for sites like the ones we own and operate.

Owning and operating energy sites is a core part of our strategy and currently makes up approximately 50% of the Group's net assets. This part of the Group has generated high returns this year due to market conditions but crucially it has the potential to provide stable returns over the long-term. This combination is key to our strategy, to balance risk and return across the range of Group activities to generate target predictable returns for shareholders.

"Our energy sites generated 3,069 GWh of power."

Due to the high-quality energy sites that we own, we are able to secure long-term financing from mainstream banks at competitive rates to enhance our returns, which helps us to deliver the level of returns our shareholders expect.

While our renewable energy business started as the [illegible] of the solar energy sector, the Group has built expertise across other adjacent technologies including onshore wind, biomass and landfill gas, supported by reserve power plants which provide backup power to the National Grid. The Group therefore benefits from diversification within this part of its business since weather conditions for energy production from one technology often result in stronger production elsewhere. The Group also gains significant benefit from its scale in this sector as our business is spread across 229 sites, thus reducing the risk to Group earnings if one site suffers an operational disruption.

Our strategy in focus

In addition to our UK sites, the Group is developing sites overseas in jurisdictions that we understand well. These present an attractive opportunity as they build on our sector expertise in countries at an earlier stage of renewable development. Currently, we operate wind farms in Ireland and France and solar sites in France in addition to a wind farm under construction in Finland.

During the year we acquired the rights to multiple commercial rooftop sites through our commercial rooftop solar developer, Zestec, on which we will build solar panels to generate electricity for the tenants of the building. Our sites under construction in Australia came to fruition this year, with Darlington Point, a large-scale solar site sold at the start of the year, and Dulacca Wind Farm achieving commercial operation shortly after year end and being subsequently sold in October 2025.

Lending

Lending continues to be a core part of our business and has provided the Group with a profitable and cash generative sector over the past 13 years. The well-established part of the Group primarily consists of property lending, which provides short-term financing to experienced professional property developers, buy-to-let landlords seeking ongoing finance and development financing. It also includes short and medium-term financing to companies.

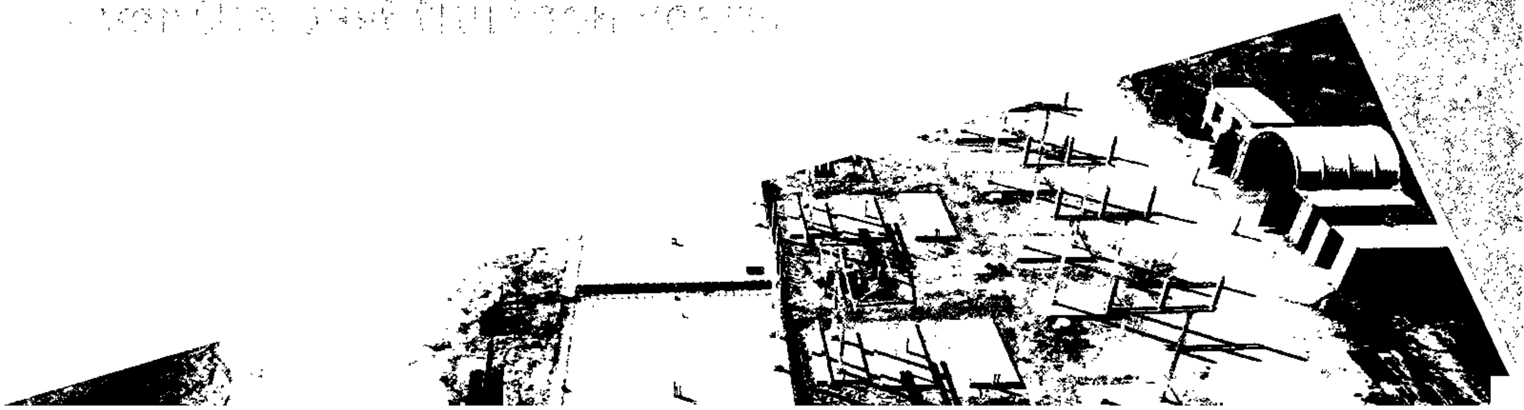
A key benefit of the scale of the Group and of the business that we have built up in this sector is our ability to mitigate risk through having a large number of loans spread across relatively small projects to individual borrowers. We proactively manage counterparty risks through undertaking careful borrower due diligence, taking security over assets typically on a first charge basis and maintaining conservative loan-to-value ratios. Not all loans will perform as expected and these measures help to minimise the impact of performance issues on an individual loan. This is further mitigated through the value that we lend to individual borrowers, relative to our total loan book, which is spread on average across 224 loans.

Fibre

Our fibre division includes four strategic areas – fibre to the premises ("FTTP"), enterprise, fibre software and mobile.

Through our FTTP business we are building new physical fibre networks for communities in the UK and have completed new fibre infrastructure in underserved parts of Devon, Somerset, Dorset, Wiltshire, Hampshire, Worcestershire, Yorkshire and the Home Counties, spanning hundreds of thousands of properties.

Lending continues to be an important part of our business and has provided the Group with a profitable and cash generative sector over the past thirteen years.



Our strategy in focus

Building a new network involves connecting large data centres and telephone exchanges in the UK with homes and businesses, effectively replacing the copper wires that were laid in the first half of the 20th century. To date, [illegible], Swish and Giganet have operated a vertically integrated model, where they own the fibre, alongside the end customer relationship as the internet service provider (ISP). Following the merger of our FTTP division [illegible] will follow the wholesale strategy of AllPoints Fibre, owning the fibre infrastructure and onboarding multiple ISPs. We will continue to develop our own ISP service and brand [illegible], which will sell connectivity on our consolidated network to end customers alongside other ISPs. In an increasingly competitive market, a wholesale strategy increases the opportunity to generate revenue from the network, as multiple counterparties can sell access to it, rather than just one ISP as per the vertically integrated model.

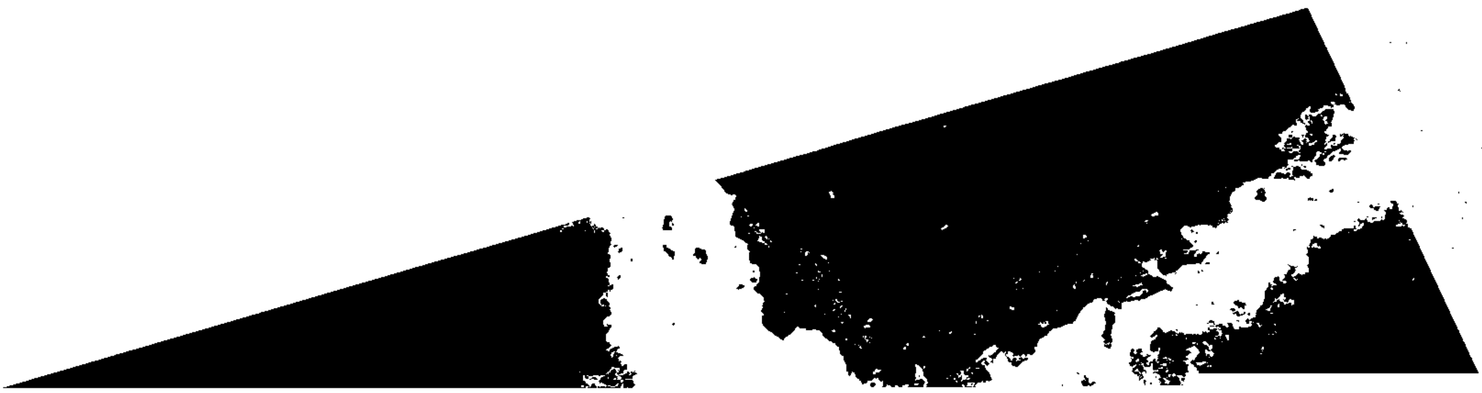
The merger of the FTTP companies took place in March, with the final three months of the year focused on bringing the operations of the four companies together, increasing efficiencies and economies of scale. Separately, the companies achieved a great deal, each making [illegible] adding customers and delivering outstanding customer service. The benefits of bringing them together and launching a single wholesale offering across their networks will create greater opportunity for the business and potential investors in future.

The UK remains behind other European nations when it comes to households accessing fibre, and our FTTP business is now well positioned to be a key player in bringing ultrafast connectivity to communities around the UK.

Through Vorboss, we are building an enterprise network in London to supply business-to-business (B2B) enterprise connectivity to business customers. Vorboss has installed over [illegible]km of fibre optic cable in London since 2020 and has spent the last year launching its products to large businesses, including market leading 10Gbps and 100Gbps products.

Our revolutionary software business, [illegible], is building the orchestration systems that the next generation of fibre broadband companies need to run their networks efficiently. In doing so, they are both supporting our own FTTP business in achieving its strategic goals and also enabling external customers to eliminate legacy constraints with [illegible] management solutions.

[illegible] further strategic development during the year [illegible] mobile platform [illegible] and consumer-facing companies to operate their own Mobile Virtual Network Operators in the UK.

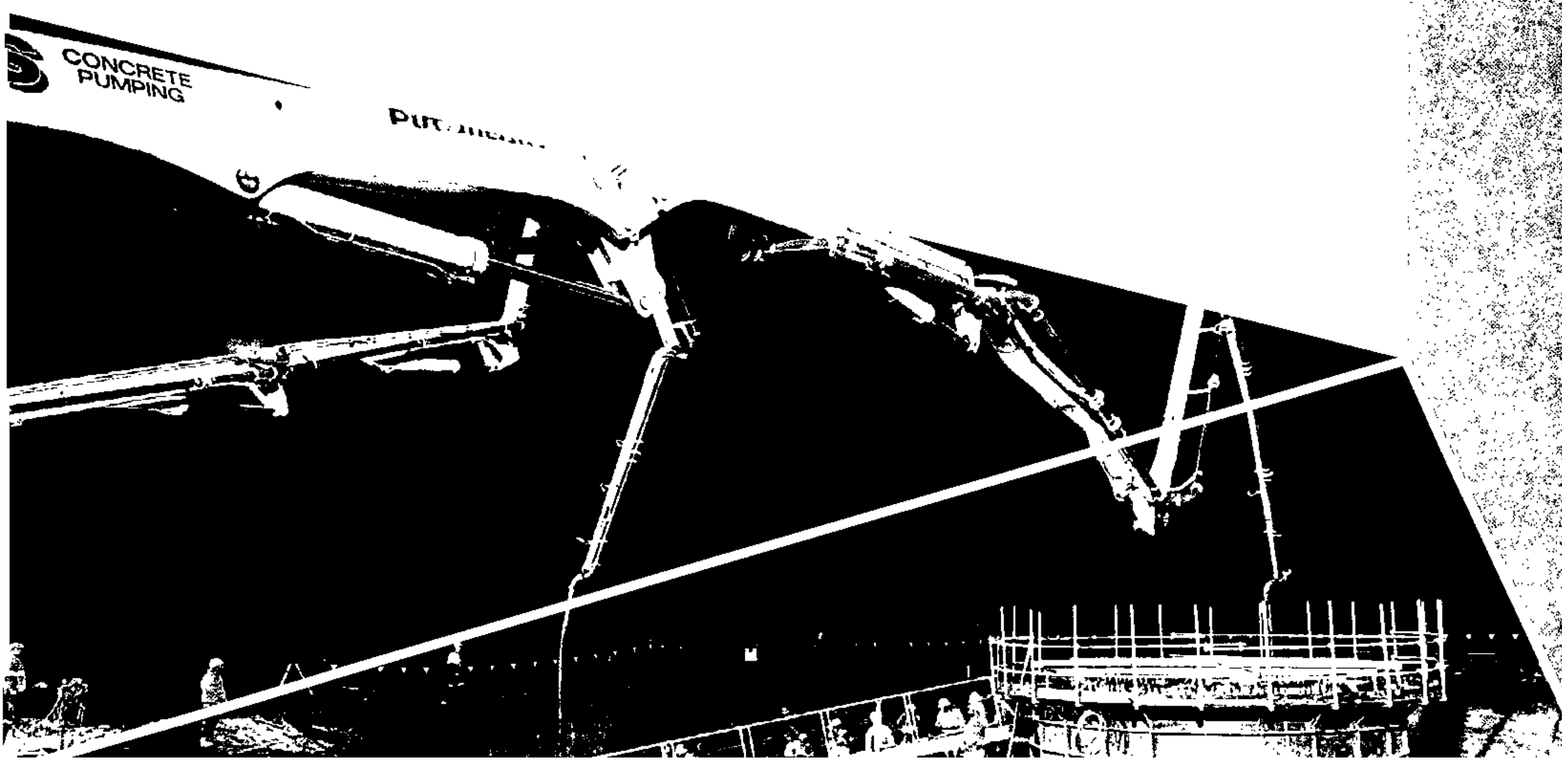


Our strategy in focus

Housebuilding

Our residential building business, Elivia, is a full service housebuilder which acquires land and develops sites from design stage to final construction to ensure the delivery of quality workmanship. Elivia strives to deliver high quality and design-led aspirational homes, comprising a mix of open market and affordable homes with over 25 sites under construction. Elivia is headquartered near Beaconsfield with a geographical footprint in Buckinghamshire, Berkshire, Hampshire, Surrey and West Sussex. In January 2023 we acquired Millwood Designer Homes which has allowed expansion into the adjacent regions of Kent and East Sussex, complementing Elivia's existing locations.

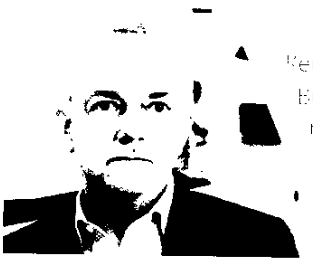
As part of our housebuilding division, the Group operates in the retirement living sector. Our retirement living business Rangeford Villages owns and operates three retirement villages in Wiltshire, North Yorkshire and Gloucestershire, is currently constructing two sites for future operations and has exchanged on two further sites spread across the country with the intention of developing these in the future.



Directors

The experienced Board of Directors for the Fern Group are responsible for determining the strategy of the business and for accounting for the Company's business activities to shareholders. They have a set of complementary commercial, energy sector-related and strategic skills.

Paul was previously the Chief Executive of Fern. He has held various general management and internal consulting roles across a number of sectors and brings with him a wealth of industry and business experience, including building key elements of the infrastructure for Capital One Bank (Europe) plc as it grew from a start up business to a company with 2,000 employees. Paul has worked at Octopus Investments since 2005.



Keith is an associate professor of strategy and entrepreneurship at [illegible] Business School. He also holds various non executive directorships and advisory roles at high growth and more mature companies. In his role as non executive Chairman he is responsible for the effective operation of the Board, as well as its governance. He brings to the Fern business independent commercial experience gained from his time in academia, private equity investment, consulting and various fund [illegible] positional roles.

Peter has over 40 years experience in international finance, infrastructure and energy. As a senior executive for International Power, Peter was responsible for arranging over $14bn of project and corporate funding as well as banking relationships and treasury activities. He has spent over 20 years working internationally for [illegible] Bank of America and [illegible] financing acquisitions and greenfield projects in the energy and infrastructure sectors. His combination of Board level financing and energy experience over numerous energy sub sectors and his background knowledge of all these sectors in which Fern operates adds significant value to the operation of the Board as well as its strategy formation and development.

[illegible] has worked at Octopus Investments since 2015 [illegible] Octopus AIF Management [illegible] Octopus Investments [illegible] Fern [illegible] the relationship between Octopus and Fern [illegible] in the best interests of Fern [illegible] over 20 years [illegible] Société Générale [illegible]

[illegible] 25 years [illegible]

Principal risks and uncertainties

Management identify, assess and manage risks associated with the Group's business objectives and strategy. Risks arise from external sources, those which are inherent commercial risks in the market, and from operational risks contained within the systems and processes employed within the business. Overall risk exposure is managed across the Group through the diversification of activities, both by sector and geography.

The principal risks that the Group are exposed to are described below, along with the mitigating actions we take to reduce the potential impact of the risk. We also include our assessment of whether the likelihood of the risk has increased, decreased or remained the same.

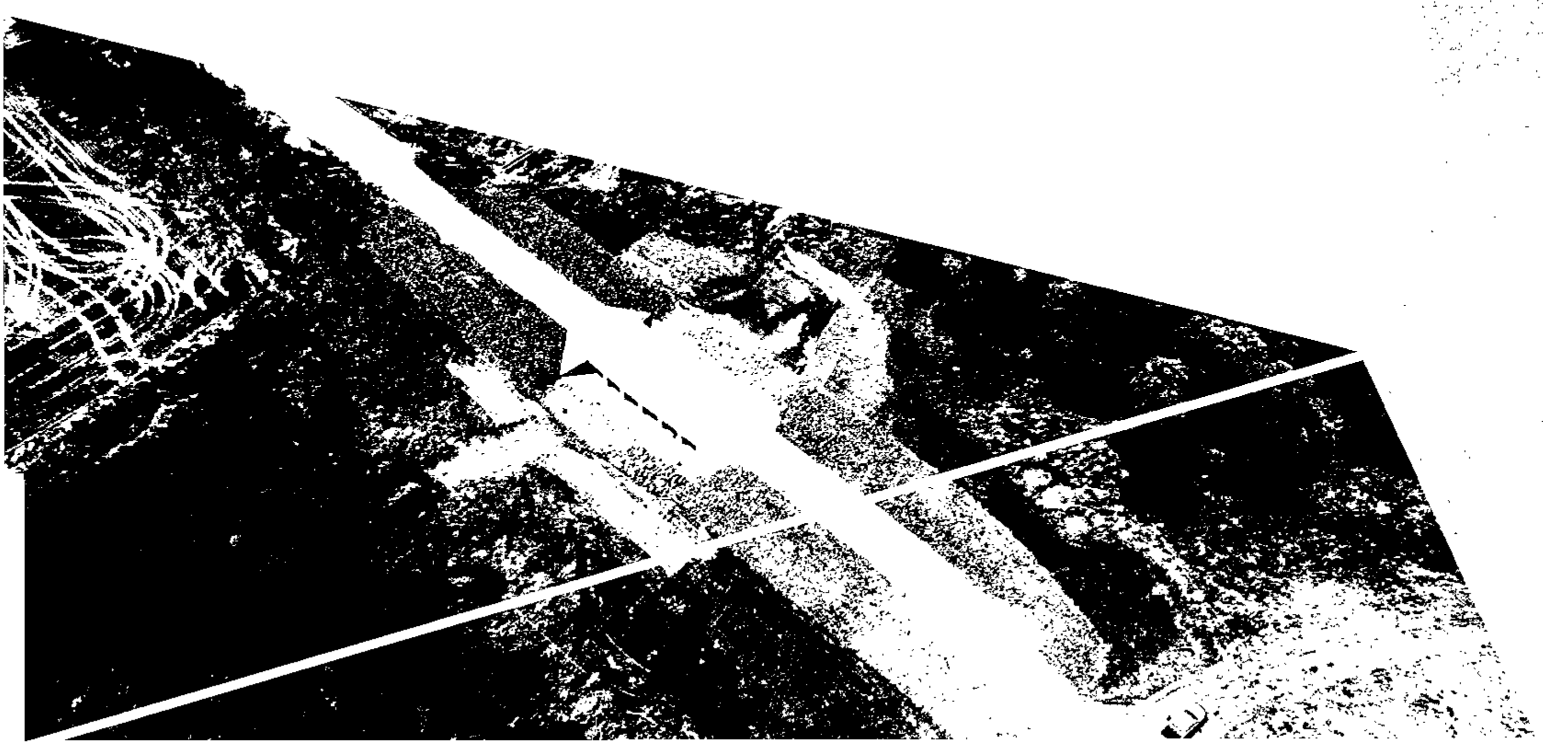
Energy Division

Risk	Mitigations	Change
Market risk: The energy sector is experiencing significant turbulence and there is a risk that forecast levels of income are not achievable due to changes in wholesale energy prices, offtake contracts or government subsidies. Due to this turbulent environment, the potential for increased intervention by the regulator is also high. Changes in Government policy may result in reduced income streams in future or [illegible] levies.	• Contracts are entered into which fix the income for a portion of the energy generated by our sites. • Long-term government backed offtake agreements are in place such as the Renewable Obligation Certification (ROC) scheme. 20% of our energy income was generated from ROC income. • We engage with the government and the Office of Gas and Electricity Markets (OFGEM) to contribute to an industry wide [illegible] of any future regulatory requirements.	No change
Operational risk: Levels of energy generated may be lower than anticipated due to suboptimal weather conditions or performance issues with equipment, which may result in significant unplanned downtime.	• Unpredictability of the weather is mitigated through diversification of technologies and location of sites. • Regular servicing of assets is undertaken to ensure assets are kept in good condition and minimise the risk that assets are unavailable for a longer period.	No change
Financial risk: Revenues from energy generation or sale proceeds from the sale of sites generated from overseas sites are lower than expected due to fluctuations in foreign exchange rates.	• Management ensures only a small portion of the Group's assets and revenues are expected to be derived from overseas sites.	No change
Construction risk: Construction of the sites takes longer or is more costly than anticipated due to resource availability or increased cost of raw materials.	• The Group enters fixed price contracts with contractors where appropriate to reduce exposure to increasing costs.	No change

Principal risks and uncertainties

Fibre Division

Risk	Mitigations	Change
Market risk: [illegible]	[illegible]	[illegible]
Construction risk: [illegible]	[illegible]	[illegible]
Operational risk: [illegible]	[illegible]	[illegible]



Principal risks and uncertainties

Lending Division

Risk	Mitigations	Change
Market risk: Increasing inflation and interest rates lead to a market-wide affordability issue, resulting in a drop in property values across all sectors of real estate. This may impact our ability to recover a loan in full through a refinance or sale.	• The team proactively manage our position in the marketplace and are prepared to enforce where needed on a loan moving into default. • Our loans are made at conservative loan to value (LTV) ratios with a maximum LTV of [illegible].	Increased due to falling property prices.
Counterparty risk: Loans may be made to unsuitable counterparties, impacting our ability to recover the loan balance in full.	• Loans are secured against physical underlying security such as a charge over the property or other assets of the borrower. These are typically on a first charge basis to ensure maximum chance of recovery should enforcement action be needed. • Thorough due diligence is performed prior to writing loans including property and land valuations and credit checks done on borrowers. • Where loans are written for assets under construction, milestones and covenants are put in place to ensure stages are complete prior to releasing further drawdowns.	No change

Housebuilding Division

Risk	Mitigations	Change
Market risk: A fall in house prices could impact our ability to generate sufficient revenue from the sale of apartments in our retirement villages and housing developments built by [illegible]. An increase in interest rates could lead to delays in the purchase process, resulting in [illegible] and revenue not being realised as planned.	• [illegible] on individual plots are [illegible] to maximise revenue and reduce the risk of loss on sale. • During the underwriting process for each site the gross development value is benchmarked against current values in the area. [illegible] HPI is used and price movement, sales speed [illegible] are monitored and reviewed.	No change
Construction risk: Construction takes longer or is more costly than anticipated due to reduced availability or increased cost of raw materials. Inability to engage with suitable contractors who are financially stable and able to [illegible] fixed price contracts in the current environment.	• The Group enters fixed price contracts where appropriate to reduce the exposure to increasing material costs. • The Group only works with reputable third parties with a strong track record of delivering similar projects. • The assumptions on all potential projects include conservative building cost assumptions with material contingencies [illegible] and [illegible] allowance for inflation [illegible] against other current and live projects.	Increased due to inflation of materials and labour.

Principal risks and uncertainties

Group

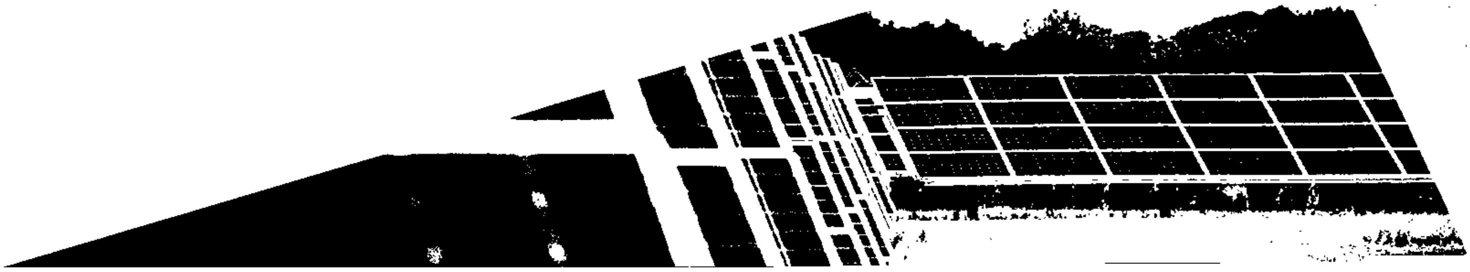
Risk	Mitigations	Change
Market risk: [illegible]	• [illegible]	[illegible]
Liquidity risk: [illegible]	• [illegible] • [illegible] • [illegible]	[illegible]
Health and Safety risk: [illegible]	• [illegible] • [illegible]	[illegible]
Cyber Security risk: [illegible]	• [illegible] • [illegible] • [illegible]	[illegible]

[illegible]

PS Latham

[illegible]

[illegible]



Corporate governance

The Board consider that they have adhered to the requirements of section 172 of the Companies Act 2006 (the 'Act') and have in good faith acted in a way that would be most likely to promote the success of the Group for the benefit of its members as a whole (having regard to all stakeholders and matters set out in section 172(1)(a-f) of the Act) in the decisions taken during the year ended 30 June 2023.

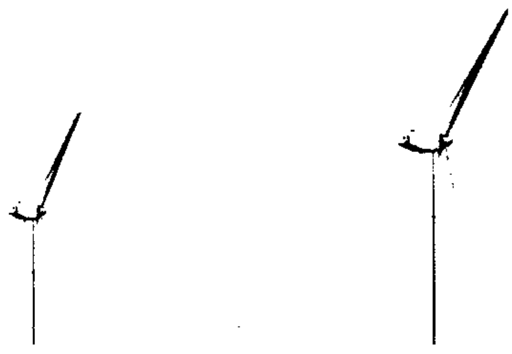
In the performance of its duty to promote the success of the Group, the Board has regard to a number of matters, including the likely consequence of any decisions in the long term, and listens to the views of the Group's key stakeholders to build trust and ensure it fully understands the potential impacts of the decisions it makes. The Board fulfils these duties partly by delegation to committees and the Boards of subsidiary undertakings, who operate within a corporate governance framework across the Group.

At every Board meeting a review of health and safety across the group, financial and operational performance, as well as legal and regulatory compliance is undertaken. The Board also reviews other areas over the course of the financial year including the Group's business strategy, key risks, stakeholder related matters, diversity and inclusivity, environmental matters, corporate responsibility, and governance, compliance and legal matters.

Principal decisions

We define principal decisions taken by the Board as those decisions that are of a strategic nature and that are significant to any of our key stakeholder groups. The Board considers that the following are examples of principal decisions it made in the year ended 30 June 2023:

- Evaluating and deciding to create a new strategic area of development in expanding into the mobile network market and becoming a Mobile Virtual Network Aggregator ("MVNA"). The Board considered this opportunity as well aligned and complementary to the existing fibre broadband operations, which would help to deliver long-term value.
- The Group decided to further expand its footprint in the housebuilding sector by acquiring Millwood Designer Homes, a company with values similar to those of [illegible] and the Group. Millwood is considered an award-winning regional homebuilder based in Kent which built around 100 homes a year. This follows the decision made in May 2022 to diversify the Group's asset base and entering into this new sector has been well thought out with long-term growth in mind. The Board considered the opportunity and how it aligned with our objectives to make a positive contribution to the community and environment by building new homes to address the UK's shortage of properties.
- The Board decided to commence a group reorganisation which involved merging the four FTTP businesses into one new business, Form Fibre Trading Limited (FFT), with focus on two separate strategies, while working closely together: (1) wholesale strategy owning the fibre infrastructure and onboarding multiple ISPs in 4Points Fibre Networks and (2) developing our own ISP service and brand through Cuckoo Limited. The Board evaluated the possible impact on stakeholders including shareholders and observed that the new structure would not change how the Board and Group engage with shareholders or their view of the Group, but would be beneficial in providing improved governance and oversight of the sector as well as enhancing the future prospects.



Corporate governance

Business strategy

Our business strategy is set out on pages 12 to 1[illegible] of the Strategic Report. Management prepares a detailed Group budget which is approved by the Board on an annual basis and forms the basis for the Group's resource planning and deployment decisions. In making decisions concerning the business plan, the Board has regard first and foremost to its strategic focus but also to other matters such as the interests of its various stakeholders and the long term impact of its actions on the Group's future and reputation.

Shareholders

Shareholder returns and generating shareholder value is a key consideration when the Board is making strategic decisions. [illegible] which the Group communicates with shareholders is through the annual report and financial statements, which aim to provide shareholders with a full understanding of the Group's activities and its results. This information is published on our website at www.ferntrading.com

Employees

The Group's employees are fundamental to the overall success of the business. The Directors [illegible] their duty to employees [illegible] subsidiary boards. [illegible]

[illegible]

performance indicators [illegible] output, [illegible] costs, and health and safety.

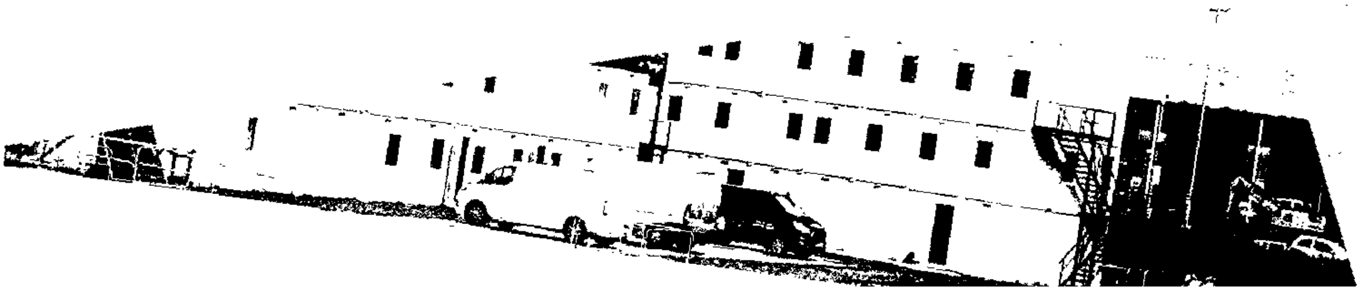
The health and safety of our employees in the workplace is a continual focus for the Group given the nature of its operations/business. The Directors review health and safety reporting at each Board meeting to ensure appropriate policies and procedures are in place to protect the health and safety of our employees and contractors. Where there are potential deficiencies or issues, these are followed up and resolved on a timely basis with the Board having oversight of the actions taken.

The Group outsources [illegible] and management of certain operational activities to external [illegible]. Where activities are outsourced the Board ensures that they are managed by reputable suppliers [illegible]

Suppliers and customers

[illegible] www.gov.uk

[illegible]



Corporate governance

The Board considers Octopus Investments Limited to be a key business partner and supplier with responsibility for the provision of operational oversight, financial administration and company secretarial services.

Community and environment

The provision and operation of sustainable infrastructure is at the centre of the Group's strategic goals. Through its business activities the Group seeks to make a positive contribution to the community, environment and economy. Our renewable energy business is helping the UK meet its renewable energy targets, our fibre network will give people in rural communities access to high-speed broadband and our retirement villages create communities of people in their later years, reducing the strain on our healthcare services. We are also building new homes to address the UK's shortage of properties.

Business conduct

As Directors, our intention is to behave responsibly, ensuring management operate the business with integrity and in accordance with the high standards of conduct and governance expected of a business such as ours. Our intention, through our business strategy (outlined on pages 12 to 15) is to operate in sectors and with other businesses that share our values.

Business ethics and governance

The Board is responsible for ensuring that the activities of the Group and its various businesses are conducted in compliance with the law and applicable governance and regulatory regimes, and in adherence with prevailing best practice for the relevant industry. This includes reviewing internal controls, ensuring that there is an appropriate balance of skills and experience represented on the Board, and ensuring that the financial statements give a true and fair view of the state of affairs of the Group. Further detail can be found in the statement of directors' responsibilities on page 58. In the year to 30 June 2023 no areas of concern have been flagged in this regard.

Employee, human rights, social and community issues, environment policy and anti-corruption and bribery matters

The Board's policy on employee, human rights, social and community issues, environment policy and anti-corruption and bribery matters is discussed in the Directors' Report on page 58. The Board actively promotes a corporate culture that is based on ethical values and behaviours.

Task force on Climate-related Financial Disclosures ("TCFD")

In December 2015, the TCFD was established by the Financial Stability Board ("FSB") to develop recommendations and encourage companies to take account of how they identify and manage climate-related issues. The TCFD requires companies to produce climate-related disclosures across four key pillars: Governance, Strategy, Risk Management and Metrics & Targets. The TCFD has noted eleven key recommendations across those pillars that enable companies to provide information to shareholders and other stakeholders.

The Group's operations play an important role in the UK's long-term transition to a net zero economy, as renewable energy and the development of lower-carbon alternatives are critical to a move away from fossil fuels. Capital deployment in renewable energy assets, such as our 50 ground-mounted solar sites, enables our business and shareholders to generate returns from this transition [illegible] having an inherently positive impact on climate change and the environment.

In the Group's [illegible], the Board [illegible] the energy [illegible] net zero [illegible] and [illegible] to take advantage of the opportunities [illegible] lower-carbon economy. While the Board [illegible] renewable [illegible] energy lending [illegible] requirement [illegible] the [illegible] with reference to the Group's energy subsidiaries.

Statement of Compliance

The Board is pleased to confirm that it supports the TCFD's aims and objectives and has included climate-related financial disclosures in line with the four key pillars and eleven recommendations. In addition, to mitigate the [illegible] impact of sustainability [illegible] accounting Standards Board ("SASB") guidance on materiality, assessing whether and to what extent sustainability issues (including climate risks) could impact performance.

Governance

Disclose the organisation's governance around climate-related risks and opportunities

a) Describe the Board's oversight of climate-related risks and opportunities

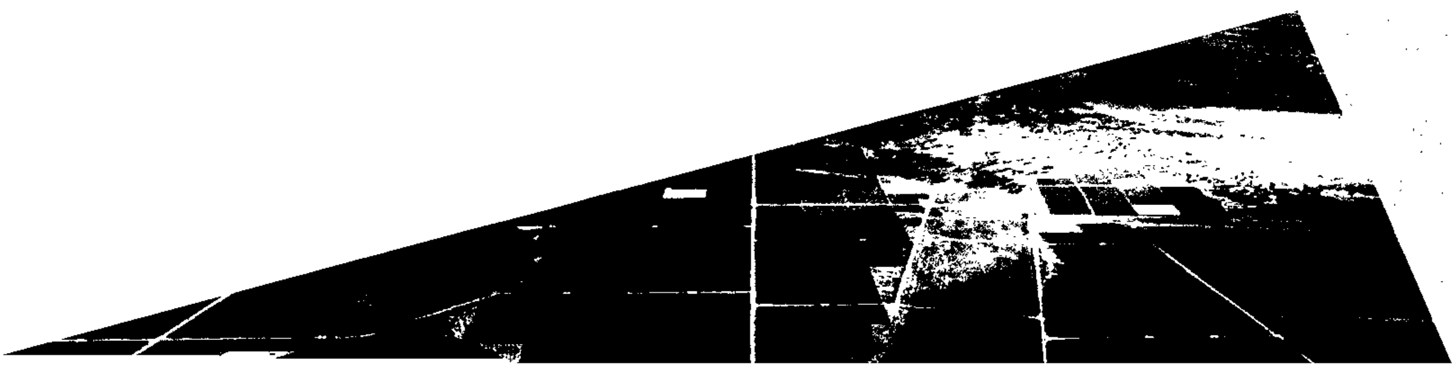
Climate-related risks and opportunities form part of the Board's strategy. A key aspect of the Group's business model, determined by the Board and adhered to by divisional management teams, is to deploy capital in renewable energy assets to benefit from the wider transition to a lower carbon economy.

The Board is responsible for monitoring climate-related government policy and physical climate changes to inform the deployment strategy, and the materiality of risks facing the Group's [illegible]. The Group Board monitors strategic risks and opportunities, financial performance and any adverse or positive impacts on [illegible] that could result from climate-related risks and opportunities.

On an annual basis, the Group Board reviews and approves an ESG Policy document that was first adopted in September 2020 [illegible] in April 2023. The Board therefore ensures that each new opportunity and existing [illegible] on an on-going basis, adheres to the Group's ESG Policy.

b) Describe management's role in assessing and managing climate-related risks and opportunities

[illegible] climate-related risks and opportunities are considered throughout



Task force on Climate-related Financial Disclosures ("TCFD")

the acquisition, construction and due diligence process right through to the on-going management. The Board have reviewed and approved ESG criteria specific to the Group's business that are considered by commercial and management teams, including those operating in the fibre and housebuilding sectors. The day-to-day management and assessment of climate-related risks and opportunities is therefore undertaken by divisional management teams and reported to the Board where necessary.

All of the above ensures the board's oversight and management of climate-related risks and opportunities includes functions established to provide good governance over the Group's divisions. This enables the Board and subsidiary companies to all be aligned on approach to climate-related risks and opportunities.

Strategy

Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning where such information is material.

a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long-term.

Given the Group's long-term experience in its operating sectors and strong links to its suppliers, particularly in the energy and housebuilding sectors, the Group is well positioned to overcome risks and take advantage of opportunities arising from climate change. Climate-related risks and opportunities are also at the core of the Group's strategy and are discussed right the way through the business, from Board level to the individual subsidiary companies within the Group. Climate plays a part in shaping the Group's long-term business strategy and financial planning.

The Group's fibre division will remain in growth phase for the next three to five years, and management teams consider how to manage emissions and risks while achieving this rapid growth. Fibre has a positive long term impact on the environment as once the infrastructure is in place and operating, it is seen as a low carbon technology. A well constructed and operated fibre connection facilitates a reduction in carbon emissions in the long term due to the potential for home working and smart cities.

In the Group's housebuilding division, one major risk is ensuring short and long term construction processes are managed in line with potential exposure to climate risks, such as flooding. The Group aims to mitigate this risk, as all developments within the housebuilding sector (including retirement living) have technical full risk assessments carried out before land is purchased.

The Group is also subject to regulatory risk as all homes and developments must satisfy environmental planning conditions, which may change as regulations are introduced to support the UK's transition to net zero. This presents the Group with the opportunity to go above and beyond applicable regulatory standards for energy efficiency of new build homes and become a leader in this regard. It is important for the housebuilding division to satisfy all environmental planning conditions and seek financially viable opportunities to exceed regulatory standards. The Group looks to develop strategies around progressive adoption of Modern Methods of Construction ("MMC") including timber frames, solar panels, air source heat pumps and electric vehicle charging points where appropriate. Where possible, the Group moves operational assets onto renewable energy

Task force on Climate-related Financial Disclosures ("TCFD")

tariffs and carefully chooses suppliers to reduce the impact of climate-related risks.

Within the energy division, the Group is in a strong position to take advantage of opportunities and mitigate risks that arise from the transition to a net zero economy. The main short-term risk arises from competition as competitors could identify gaps as they seek to deploy more capital into renewable energies. The Group's successful track record helps it seize opportunities derived from the need to tackle climate change and continue to acquire and build new large-scale impact projects, such as our Waste-to-Energy or the expansion into commercial solar rooftops.

The Group also faces risks from increased variability in weather patterns and potentially more extreme weather, creating difficulty to accurately predict production and financial performance. The Group constantly assesses the risks and opportunities presented by variable weather as part of ongoing due diligence and performance management.

Over the longer term, regulatory changes could impact the Group and could lead to changes in government incentives for constructing and operating renewable energy assets. The Group could be more exposed [illegible] as renewable energy becomes an increasingly sizeable proportion of total energy produced in the UK market. To mitigate this risk, the Group enters into long-term power purchase contracts which [illegible] the income for all or a portion of the energy generated by a site. Long-term government backed agreements are also in place, such as the Renewable Obligation Certificate ("ROC") scheme. This aligns with the Group's strategy to continue to develop predictable long-term revenue streams, including protection against future pricing changes in the UK energy market.

As new technologies of renewable energy or [illegible] sites are developed and become more reliable, opportunities may arise for the Group to integrate these as the technologies mature and become cheaper. However, there is a risk that deployment into newer technologies could underperform compared to the business cases. Whilst representing a risk, it is expected that the negative impact would be immaterial to the Group's operations due to diversification.

b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning.

Financial projections, including those that are utilised for the preparation of the financial statements and in budget preparations, are based on financial models. Each model, such as company valuations or business plans, will contain different underlying assumptions on key inputs including power prices, operating and maintenance costs or future revenues, which are all impacted by transitioning to a lower carbon economy. The most material factor on the valuation of renewable energy assets is usually wholesale energy prices and [illegible]. The [illegible] valuation committee [illegible] reviewing the assumptions and the sensitivities associated and is therefore considered a part of the valuation process.

The above could impact financial returns positively if the shift towards renewable energy and sustainable homes is successful, or negatively if the transition is slow. Extreme weather such as storms, flooding or fires could cause damage at the Group's wind and solar farms and housing sites, impacting operating and maintenance costs, the timing of developments and operational budgets. Conducting [illegible]

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assets to the highest quality standard and going above and beyond the relevant regulatory standards by adopting MMCs will impact the Group's operating and maintenance costs further. The Group's cost projections are captured at point of acquisition and models are updated regularly with diversification of suppliers and appropriate levels of insurance obtained. The Group's biomass plants operate a diversified supply chain of feedstocks and strategic stores to ensure sufficient fuel stores. In case of failed fuel supply from extreme weather conditions, there is contractual recourse obligations between the site and suppliers for protection against loss of revenues.

Climate-related risks also have an impact on accounting estimates and judgements within the financial statements. The Group's balance sheet includes a decommissioning provision relating to the future obligation to return land on which there are operational biomass, wind and solar farms to their original condition. This accounting estimate is determined to a significant degree by the future dismantling and restoration costs, as well as the timing of the dismantlement, all of which will be impacted by physical climate risks and raw materials required for restoration. The Group engages with a third party to perform the assessment of costs to be incurred including an assessment of future climate risks.

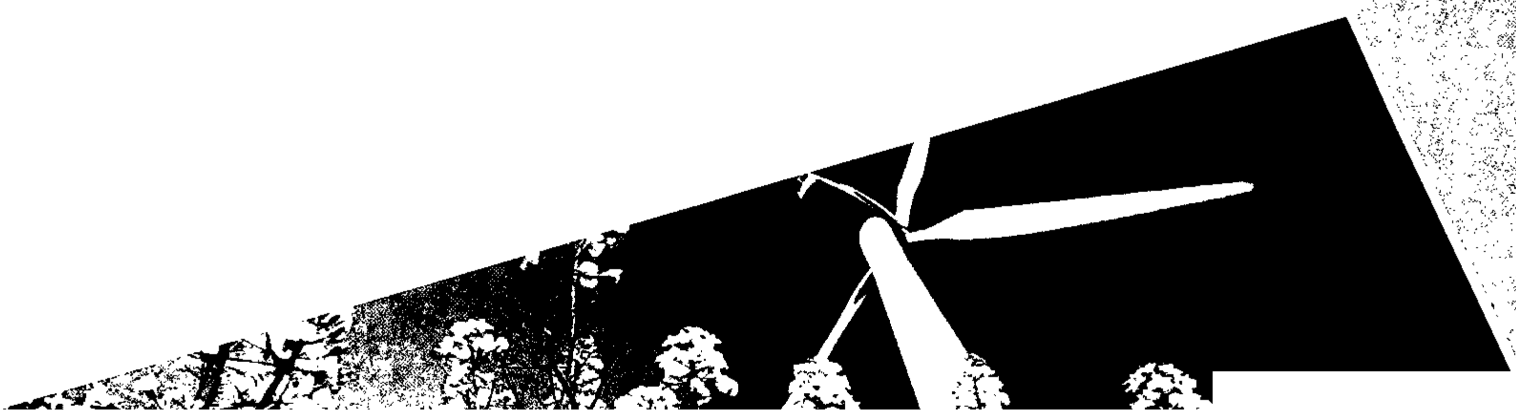
c) Describe the resilience of the organisation's strategy, taking into consideration different future climate scenarios, including a 2°C or lower scenario.

The Group benefits from a quicker transition to a lower-carbon economy, such as in a 1.5°C climate pathway i.e. limiting global temperature increase to well below 2°C, whilst taking the steps to ensure we remain resilient to the risks associated with scenarios such as a 4°C pathway.

Under a 1.5°C scenario, the world will experience a significant shift away from traditional fossil fuels towards renewable energy sources as countries and businesses alike implement strong decarbonisation plans to reach net zero. Delivery on these ambitions requires a significant increase in the pace of capital deployment into renewable energy, all of which leads to a growth in the Group's acquisition opportunities.

The main risk from a beneficial transition to renewable energies is from competition and the potential for price cannibalisation. The Group's strategy is resilient to this as they focus on being leaders in the market and seek first mover advantages before any form of price erosion can take place. Increasing demand for the electrification of industries will provide vast deployment opportunities for renewable assets with rising demand supporting the power price for electricity, mitigating price cannibalisation. The Group's housebuilding sector could also benefit from such a transition by facing lower costs on installation of solar panels or heat pumps as technologies advance and become cheaper to access.

Under a 4°C scenario, it is assumed that the transition to a lower carbon economy has been slower and the incentives to construct and operate renewables have not been forthcoming. There is also the increased physical risk of more extreme weather delaying the introduction and operation of renewable assets. Whilst this could impact the Group's revenue potential, this would discourage competition and the Group would be well placed to take advantage of any opportunity that arose. The Group's strategy



Task force on Climate-related Financial Disclosures ("TCFD")

is further resilient as the unpredictability of weather is mitigated through diversification of technologies and location of sites. The Group's increased deployment into the hotel, lending and housebuilding sectors is just one of the methods the Group is using to mitigate possible impacts of relying on a heavily subsidised renewable energy sector and lower carbon transition that would occur in a [illegible] scenario.

When comparing the two scenarios, the Group is set to benefit more from a 2°C scenario than a 4°C scenario pathway. The Board believes the business strategy is resilient and flexible to either scenario enabling the Group to continue to provide returns whilst contributing to the transition to a lower carbon economy.

Risk Management

Disclose how the organisation identifies, assesses, and manages climate-related risks.

a) Describe the organisation's processes for identifying and assessing climate-related risks.

Climate-related risks are considered by management teams at both a Group and entity level, with the specific climate-related risks being identified, assessed and managed during the deployment process.

The Group takes responsibility for understanding and assessing each of its group companies against a consistent framework which includes climate-related risks in our energy sector to identify climate-related risks. In addition, management teams use OASIS tools as part of ongoing due diligence such as Thinkhazard and/or Climate Data Tools. Relevant risks are considered and assessed ahead of capital deployment for new investments.

b) Describe the organisation's processes for managing climate-related risks.

At a divisional level, transition and physical risks are considered throughout the acquisition process. Climate-related risks are managed by incorporating questions into an ESG matrix to prompt additional due diligence on assets, requiring the review of natural hazards in the region the asset is located and any mitigation strategies can then be determined.

c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management.

Where material risks have been identified, the Group implements an appropriate strategy to address the ones highlighted by the above processes. Strategies include diversification of the Group's operations in terms of assets and geography, appropriate levels of insurance and seeking different opportunities in sustainability through homebuilders and diversified supply chains.

Task force on Climate-related Financial Disclosures ("TCFD")

Metrics & Targets

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.

As mentioned under the Risk Management pillar, management teams assess the relevant climate-related risks and opportunities of potential acquisitions in relation to set criteria. The ESG Risk Matrix used for our energy assets has a total score of 15, with a score of 9 or more required to indicate compliance with ESG policy requirements.

b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.

The Group's location-based scope 1, 2 and 3 emissions are disclosed in the table below. In accordance with SECR, the Group's scope 3 emissions include only those relating to business travel.

Throughout the year we have continued to deploy capital in expanding the fibre division resulting in an increase in emissions as this is a function of growth and headcount increase. This is highlighted by the Group's Scope 2 emissions rising by [illegible]% in FY23, caused by increased energy consumption, despite the overall emissions reduction across the business. While our fibre companies are focused on the end goal of building a network, the journey along the way is just as important.

The increase in emissions from our Fibre division has been fully offset by reductions in emissions from our reserve power sites, which account for 90% of reported emissions. Our 26 reserve power sites provide vital back-up power to the National Grid in times of peak demand, and emissions are expected to vary year on year due to fluctuations in the energy generation required to balance the grid and supplement baseload power. We have thus seen a 6.2% reduction in emissions from the prior year in our reserve power sites alone, a function of the sites being called upon with less frequency.

The other primary portion of the Group's emissions are our biomass plants, which account for a further [illegible]% of the remaining emissions. Our biomass plants use a mix of straw, waste wood chips and other fuels of natural origin, which also have the capacity to regenerate, to produce electricity.

The Group has therefore seen a headline reduction in tonnes of CO2 emitted in FY23 compared to FY22 of [illegible]%, primarily driven by the lower use of fuel in the reserve power and biomass sites that the Group owns and operates, as described above, only slightly offset by increases in Fibre emissions.

Emissions (Location Based)	FY23 (tCO2e)	FY22 (tCO2e)	% Change
Scope 1	[illegible]	[illegible]	[illegible]
Scope 2	[illegible]	[illegible]	[illegible]
Scope 3	[illegible]	[illegible]	[illegible]
Total	**228,699**	**242,932**	**(6%)**

Task force on Climate-related Financial Disclosures ("TCFD")

Aggregated Metrics	FY23	FY22	% Change
[illegible]	[illegible]	[illegible]	[illegible]
Energy [illegible]	[illegible]	[illegible]	[illegible]
[illegible] Energy [illegible]	[illegible]	[illegible]	[illegible]

Quality of data provided

The Group appointed Minimum, who are carbon accounting experts, to independently calculate its Greenhouse Gas (GHG) emissions in accordance with the UK Government's Environmental Reporting Guidelines, including Streamlined Energy and Carbon Reporting guidance. The GHG emissions have been assessed following the ISO 14064-1:2018 standard and have used the 2022 emission conversion factors published by the Department for Business, Energy & Industrial Strategy (BEIS).

The emissions were categorised into location-based Scope 1, 2 and 3 emissions, in alignment with the World Resources Institute's Greenhouse Gas Protocol – A Corporate Accounting and Reporting Standard guidelines with the following definitions:

- Scope 1 – All direct GHG emissions by the Group from sources under their control, e.g. burning fuel.
- Scope 2 – Indirect GHG emissions from where the energy the Group purchases and uses is produced, e.g. power generating electricity used in the buildings.
- Scope 3 – All indirect emissions not included in Scope 2 that occur in the value chain, e.g. from business travel, employee commuting, [illegible] products, [illegible]

Minimum used a survey-based approach to collect data, allowing subsidiary companies to submit total values for different activities or detailed consumption figures. Wherever possible, primary data was collected, be it kWh of electricity consumed, m³ of natural gas burnt and kilometres travelled by different modes for scope 3 emissions. We are pleased to report that of the data collected for the TCFD and SECR disclosures, 99% is based on actual figures submitted by the subsidiary companies.

c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.

The Group, through the development and operation of primarily renewable energy assets, inherently contributes to the [illegible] target and [illegible] the transition away from fossil fuels. Although the majority of the Group's energy generation assets, such as wind and solar, are low carbon by nature, other Group assets are more carbon intensive [illegible] for instance the operation of the Group's reserve power plants [illegible] the [illegible] and energy assets [illegible] the Group [illegible] operational assets onto renewable tariffs and seeks to partner with suppliers and contractors that are [illegible] climate ambitions.

Group finance review

The purpose of this report is to provide additional explanatory information on the financial statements. In measuring our performance the financial measures that we use include those that have been derived from our reported results in order to eliminate factors that distort year-on-year comparisons. These are considered non-GAAP financial measures.

A reconciliation of these to the financial results can be found in note 25 of the notes to the financial statements.

The financial statements show assets at amortised cost; as such they do not reflect the future value that we expect to derive from these businesses. To that extent accounting performance may differ materially from the share price and may not reflect changes in the fair market value of assets or businesses owned by the Group.

There were various changes to the operational assets during the year including the sale of Darlington Point, a large solar site in Australia, and ElTa expanding their south-eastern footprint with the acquisition of Millwood Designer Homes. In March, our FTTP businesses were successfully consolidated into one new business focusing on wholesale strategy and our own SP brand. Subsequent to year end, Dulacca, a large wind farm in Western Australia, became operational following a two year construction process, and was sold for a profit of £22m in October 2023.

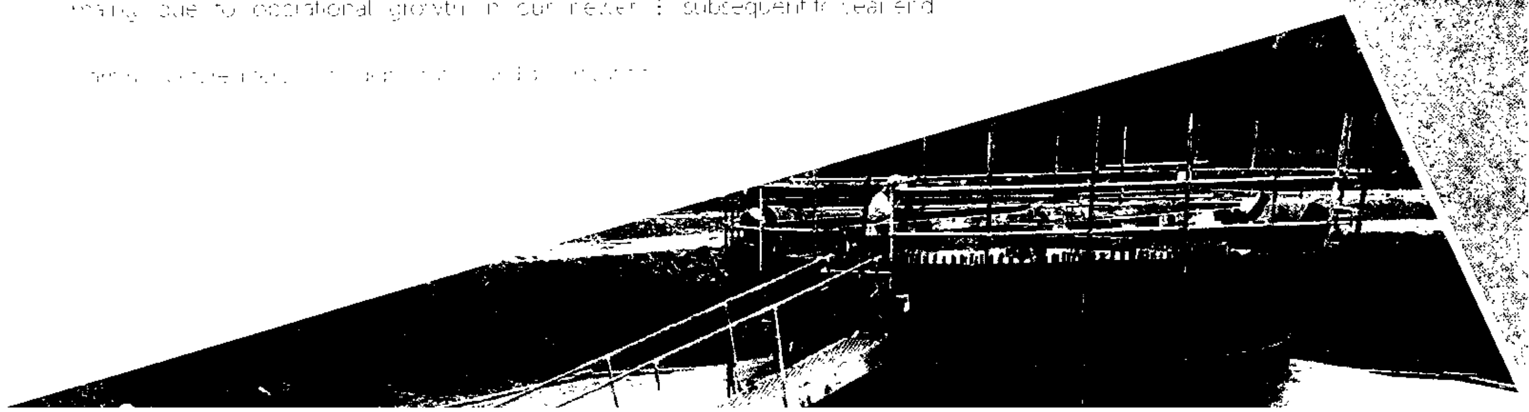
To support continued expansion, we built up cash reserves at year end of £1[illegible]m, which serve to fund the operational needs of our divisions.

	2023	(restated) 2022	Movement	
	£'000	£'000	£'000	%
[illegible]	800,351	711,830	[illegible]	[illegible]
[illegible]	82,017	194,917	[illegible]	[illegible]
[illegible]	(148,767)	55,888	[illegible]	[illegible]
[illegible]	439,535	360,901	[illegible]	[illegible]
[illegible]	156,919	256,415	[illegible]	[illegible]
[illegible]	1,001,265	793,169	[illegible]	[illegible]
[illegible]	2,366,052	2,220,920	[illegible]	[illegible]

Financial performance

The Group has reported a loss before tax of £149m for the year ended 30 June 2022, which is a fall from profit of £59m (restated) in the prior year. This is driven primarily by expansion in our fibre sector, as we continue to grow our assets and operational base, as detailed further in this report. Similarly, overall EBITDA decreased by 58% to £82m (2022: £195m), which is mainly due to operational growth in our newer divisions, particularly fibre, and a number of provisions recognised against specific property loans. Additionally, there are two instances of extraordinary costs included in the financial statements which are not expected to reoccur: (1) restructuring costs of £13m associated with the merger of fibre-to-the-premises businesses; and (2) impairments costs of £22m associated with trading assets which were sold subsequent to year end.

[illegible]



3 GOVERNANCE

Group finance review

Revenue increased by £88m to £500m (2022: £412m) which was driven by a steady increase across all our sectors. Following the acquisition of Elivia Homes in May 2022 revenue from homebuilding was included for a full year in the financial results for the first time and contributed £50m of the £88m increase. The second most impactful increase, at £10m, was in our energy division as power generation from our operating assets remained steady and energy prices stabilised in the second half of the year.

Retirement living saw a £9m increase (45%) in revenue as more of our sites reaching completion and buyers taking residence. Additionally revenue from our lending division saw an increase of 15% to £49m (2022: £42m) due to an increase in the loan book value to an average of £454m over the year.

Operating expenses for the year were in line with our expectations, with the increase primarily driven by reserve power due to gas procurement costs. Our fibre division continued to grow its operational base and the associated costs resulting from the addition of Fibrus brought an associated increase in staff costs and overall for the Group staff costs increased by £[illegible]m.

A prior year restatement relating to hedge accounting on interest rate swaps prompted a reclassification between Other Comprehensive Income and Retained Earnings. This resulted in an accumulated reduction of £10m in opening costs and is reflected in the restated accounts. However, interest costs increased in the year as Fibrus's external debt facility was included in the Group's results for the full year.

Financial position

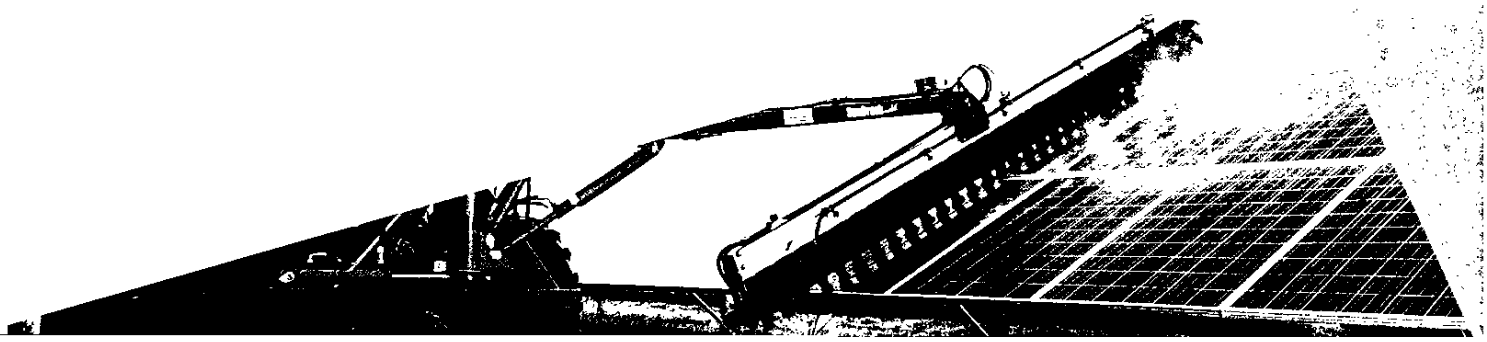
Continued shareholder interest and investment has seen net assets grow to £2,566m (2022: £2,410m restated) in the year ended 30 June 2023, with [illegible] shares (2022: [illegible]) for a total consideration of £2[illegible]m (2022: £2[illegible]m).

Fixed assets increased by £11[illegible]m with deployment in fibre network assets growing by £277m in the year, and energy assets [illegible] £[illegible]m due to [illegible] construction [illegible] offset by the disposal of Darlington Point in July 2022.

Net current assets of £815m (2022: £807m restated) have increased by £8m, reflecting a £[illegible]m increase in stock in the homebuilding division which in turn was offset by £[illegible]m decrease in cash due to accelerated cash deployment. Our loan book, gross of provisions, has increased by 27% to £474m (2022: £375m), and at 30 June 2023 represented 18% of net assets (2022: 13%).

Cash and cash equivalents as at 30 June 2023 were £157m (2022: £275m). Cash generated from operating activities remained strong at £205m (2022: £316m) which has been utilised alongside external long term financing and capital raised by new share issues to grow the business. We have invested substantially into the fibre and homebuilding sectors which will require further capital expenditure over the next 12 months, increasing our diversification across sectors. Of the cash held at our year end, £134m was held in the energy, homebuilding and fibre subsidiaries, where there are a number of construction and infrastructure projects underway requiring cash to be readily available for stage payments due in the months after year end.

Goodwill at £514m (2022: £[illegible]m) continues to be a significant number in the balance sheet and arises on the acquisition of some businesses. Acquired businesses, for example renewable energy sites, often have an asset value in excess of the company's net assets, reflecting their reliable future income streams. For example, the market value of our operating businesses reflects the value of future expected profits, not the cost of simply buying tangible assets such as solar panels or turbines. The premium paid over market value for the sites we acquire may exceed the value of identifiable assets such as the solar panels, and so generates goodwill, which essentially represents the value of the expected future income stream. Goodwill is not amortised but tested for impairment annually and is gradually [illegible] over the life of the sites as expected returns are realised.



Group finance review

Energy

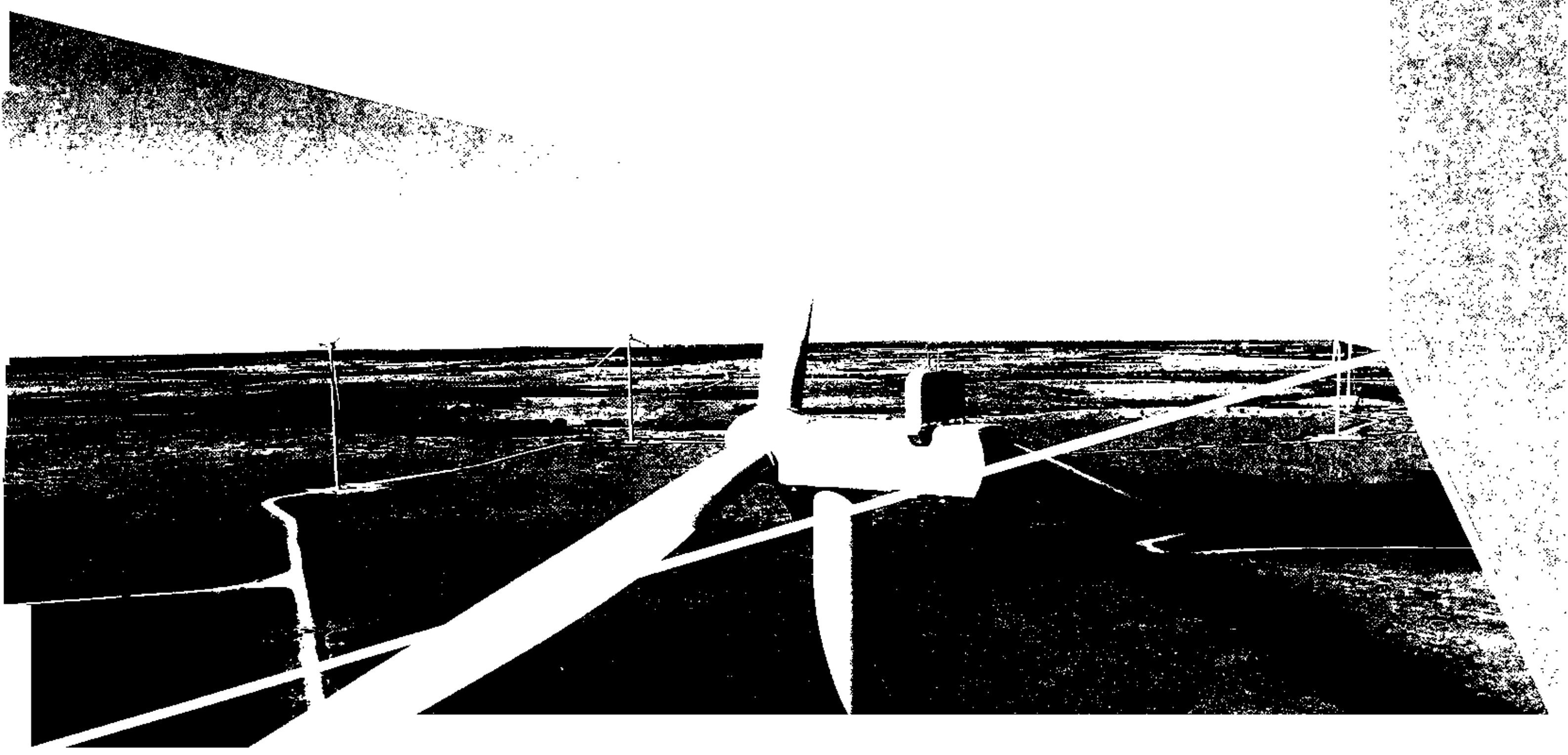
As economic activity and global demand continued to remain high throughout the year, so too did wholesale energy prices, driven by movements in commodity prices. This resulted in the Group maintaining strong revenues from energy generation at a level similar to 2022 across our energy sites, with revenue of £606m (2022: £590m).

Our generation capacity remained consistent year on year, as there were no substantial changes to our energy generating assets. However, production was marginally reduced due to Snetterton (one of our biomass-fired power plants) suffering some months of operational downtime following a gearbox fault. The associated insurance claim for replacement parts and loss of revenue was settled in full.

The impact was offset by the increase in the average price per unit for the division as a whole, as it increased to £107.7/MWh from £97.5/MWh in the prior year, an improvement of 10%.

While total operating costs remained mostly consistent year on year at £377m (2022: £372m), the Group recorded a £30m increase in gas procurement costs for reserve power plants, driven by inflated gas prices in the first half of the year. Correspondingly, EBITDA also decreased by 13% to £232m (2022: £258m).

	FY2023 Production (MWh)	FY2022 Production (MWh)	FY2023 External Availability	FY2022 External Availability
[illegible]	**991,873**	[illegible]	**83.5%**	[illegible]
[illegible]	**225,680**	[illegible]	**96.2%**	[illegible]
[illegible]	**405,802**	[illegible]	**94.6%**	[illegible]
[illegible]	**569,063**	[illegible]	**94.8%**	[illegible]
[illegible]	**876,374**	[illegible]	**92.6%**	[illegible]
Total	**3,068,792**	**3,099,690**		



Group finance review

The French government has announced [illegible] the measure introduced in November 2020 [illegible] FIT contracts, which reduces [illegible] French solar portfolios [illegible] French solar [illegible] resulted in an £8m French solar [illegible] prior year, which due to goodwill impairment in the prior year [illegible] accounting convention cannot be reversed [illegible] recognised.

In November 2022 the UK government announced the introduction of an Electricity Generator Levy (EGL), a temporary measure to charge exceptional receipts on high revenues for Groups generating electricity. The levy is in effect from 1 January 2023 until 31 March 2028 and it enacts a 45% windfall levy on [illegible] energy [illegible] electricity generated from [illegible] renewable [illegible] required to pay [illegible] Group [illegible] not required to pay [illegible] period [illegible] assessing our [illegible] financial year and are assessing the impact on the returns [illegible] generated from our [illegible] year [illegible]

Lending

Revenue from lending [illegible] £19m [illegible] year [illegible] £17m [illegible] loans [illegible] 2022 [illegible] challenging 2022 [illegible] £8m [illegible] the year [illegible] This has heightened the [illegible] property [illegible] lending [illegible] year end [illegible] £12m [illegible]

Fibre

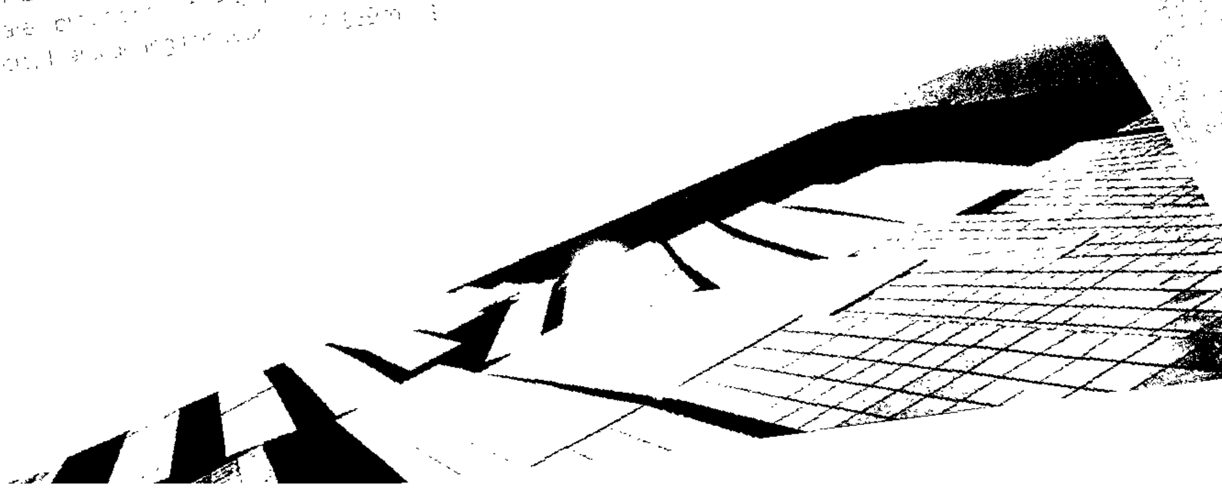
As a growing [illegible] customers are in the build phase and are starting to [illegible] customers to their networks. By 30 June 2023, the division was serving around 50,000 customers and building in over 100 locations in the UK. We are on track to be able to deliver full fibre connectivity to 500,000 properties in these towns and villages.

Overall, the division has almost doubled its revenue year on year, from £9m in 2022 to £16m in the current year. Although building a fibre network is capital intensive and leads to a physical asset on balance sheet, the division also incurs large operating [illegible] expenses as the businesses [illegible] their operations and develop market presence. This resulted in a [illegible] £56m [illegible] £120m [illegible] expectations and reflects the [illegible] development stage of the division. This includes [illegible] extraordinary costs of £2m associated with the restructure.

As we build out these networks, the assets will be [illegible] which is expected to be [illegible] generated.

Housebuilding

We have rebranded our [illegible] business [illegible] primary [illegible] Rangeford [illegible] this financial year. The [illegible] and liabilities [illegible] subsequent [illegible] costs of £2m associated [illegible] are recognised in the [illegible] expected [illegible] future periods.



Group finance review

Housebuilding operations contributed £150m (2022: £ 1m) to Group revenues for the year reflecting the impact of increased revenue in Rangeford, as well as a full year of Elivia operations. Elivia sold 132 units in the year and is performing in line with budget, while Rangeford increased its revenue by 45% to £29m and sold 47 units.

A change in accounting policy resulted in the cost of Rangeford communal areas being capitalised as fixed assets (furniture, fixtures and equipment) and amortised over the life of the site. Previously these costs were immediately recognised to Cost of Sales in the P&L. The treatment has been agreed with our auditors and has not resulted in a prior year restatement, however Rangeford fixed assets increased by £15m in the current year as a result.

Funding and liquidity

Our strategy within our renewable energy businesses is to secure long term financing at conservative levels from mainstream banks to enhance returns. At year end we had drawn £1,160m of external debt in this part of the Group with a further £175m available to be drawn.

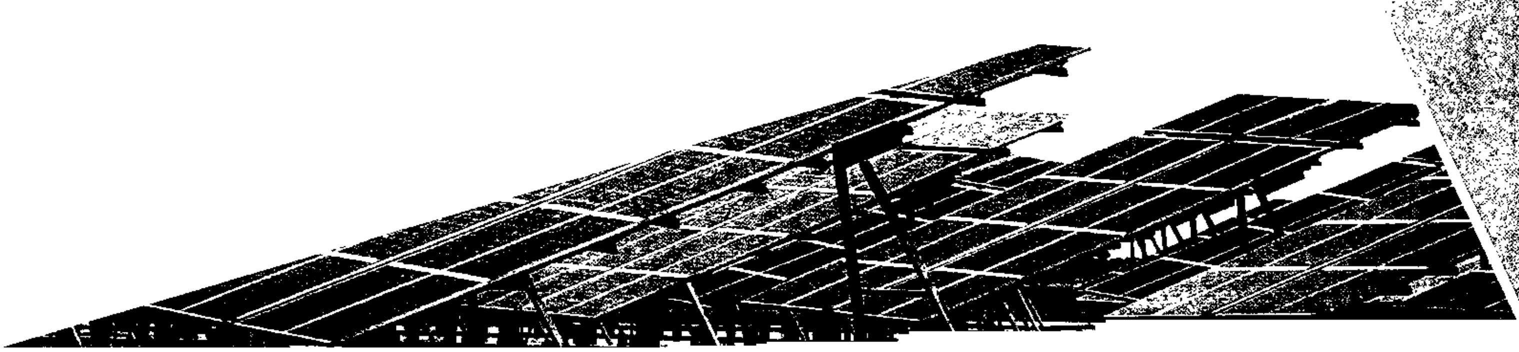
This approach enables us to acquire businesses that have stable characteristics such as predictable cost base, revenue streams, government incentives or proven technology and as such have lower returns that without leverage would be insufficient for our shareholders. It also allows us flexibility in financing our businesses and managing cash flow. We believe that failing to adopt this strategy would have a negative impact on business return and shareholder value over the long-term. 80% of our interest payable is fixed and therefore we are not significantly exposed to current interest rate volatility. The Group applies hedge accounting for interest rate swaps which means any changes in the fair value of the swap is recognised in reserves (cash flow hedge reserve) with the ineffective portion of the hedge recognised in the P&L. The market value of the swaps is recognised on the balance sheet as an asset or a liability depending on whether the swap is favourable compared to current rates.

We continually review financing arrangements to ensure that they are competitive and optimised for the needs of the business. To ensure cash is managed in an agile manner, we maintain flexible finance facilities which can be drawn or repaid to meet immediate business needs. Specifically, the Group has access to a Revolving Credit Facility of £290m which is interlinked to the net assets of our energy division. The flexibility to draw and repay funds at short notice facilitates effective management of short-term cash fluctuations which can be driven by seasonality of operating working capital.

Looking ahead

At the end of the financial year we continue to believe that the business is positioned well to take advantage of future growth opportunities across its core business areas. Energy and lending operations are well established in the market and continue to make excellent progress with robust performances in the new financial year. Provisions taken against loans during the year in our lending sector have ring-fenced challenges which are not indicative of further problems across other loans in the sector.

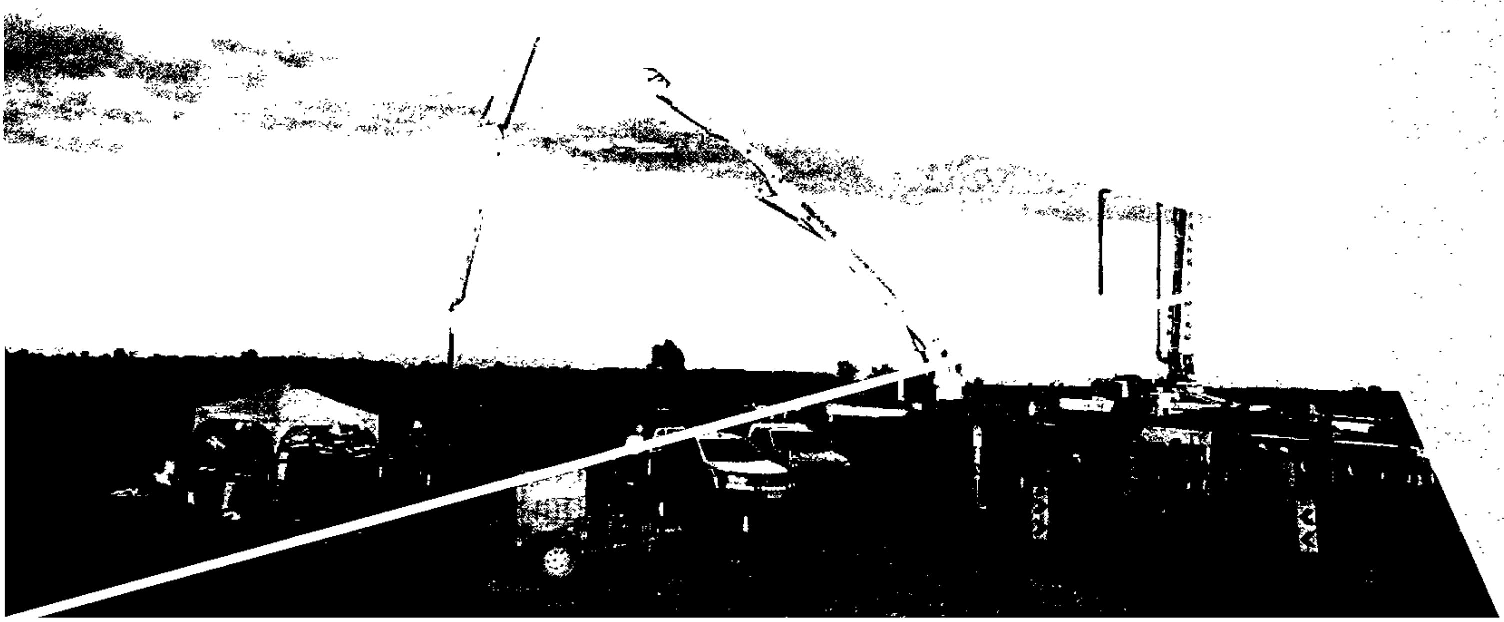
Deployment into fibre continues to roll out in line with expectations, while growing its revenue and operational base. Sales activity in our housebuilding division remain strong against a challenging market and are reporting profits in line with budget.



Group finance review

We expect to generate strong operating returns from our established divisions in the coming years in addition to the anticipated outflows for our construction phase assets, while at the same time growing our fibre and housebuilding divisions to maturity.

PS Latham
Director
20 December 2025



Directors' report for the year ended 30 June 2023

The directors present their report and the audited consolidated financial statements of the Group for the year ended 30 June 2023.

For a summary of the Group's results, refer to the Group finance review on page 31.

The directors have not recommended payment of a dividend (2022: £Nil).

The directors of the Company who were in office during the year and up to the date of signing the financial statements were:

PS Latham

[illegible]

PG Barlow

I Arthur

SM Grant (appointed 1 January 2023)

Refer to note 23 in the Notes to the financial statements.

Refer to the Strategic Report on page 6.

Refer to the Strategic Report on page 12.

Refer to the section 172 statement on page 21.

The Group's objectives and policies on financial risk management including information on the exposure of the Group to credit risks, liquidity risks and market risks are set out in note 21 to the financial statements. The Group's principal risks are set out in the strategic report on page 1.

As permitted by section 414c (11) of the Companies Act 2006, the directors have elected to disclose information required to be in the directors' report by Schedule 7 of the 'Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008' in the strategic report.

The Board recognises that a corporate culture based on sound ethical values and behaviours is an asset. The Group endeavours to conduct its business with integrity in an ethical, professional and responsible manner, treating our employees, customers, suppliers and partners with courtesy and respect.

Applications for employment by disabled persons are given full and fair consideration for all vacancies, having regard to their particular aptitudes and abilities. Should a person become disabled while in the Group's employment, every effort is made to retain them in employment, giving alternative training as necessary.

Directors' report for the year ended 30 June 2023

We fully realise that our employees wish to be informed and consulted on matters affecting their work and to be involved in problem-solving affecting their own areas of interest and responsibility.

The Group is firmly committed to a policy of good communication at all levels and we aim to establish a climate which constantly encourages the open flow of information and ideas. Presently this includes monthly team briefings at a local level and the publication of monthly key performance indicators covering output, operating costs and health and safety.

The Group has in place an agreement with [illegible] Investments Limited to provide services to the Group covering [illegible] operational [illegible] oversight, administration, company secretarial and corporate [illegible].

The Board adopted an updated [illegible] social and corporate governance [illegible] in [illegible] 2023. The [illegible] recognises the need to [illegible] business in a manner that is [illegible] to the environment whenever possible.

The Board is pleased to confirm that it supports the aims and objectives of the Task Force on Climate-related Financial Disclosures ("TCFD") and has included climate-related financial disclosures on page 24, in line with the [illegible] and recommendations.

The Company has an anti-bribery and [illegible] procedures [illegible] compliance with the Bribery Act 2010 and to ensure that the highest standards of professional ethical conduct are maintained.

In accordance with the recommendations of the UK Corporate Governance Code, the Board has reviewed the arrangements in place to encourage staff of the Group, in confidence, to raise concerns about possible improprieties in matters of financial reporting or other matters. It is satisfied that adequate arrangements are in place to allow an independent investigation and follow-up action where necessary to take place within the organisation.

We are committed to acting ethically and with integrity in all our business dealings and relationships and to implementing and enforcing effective systems and controls to ensure modern slavery is not taking place anywhere in our own business or in any of our supply chains, consistent with our obligations under the Modern Slavery Act 2015. We expect the same high standards from all of our contractors, suppliers and other business partners. As part of our contracting processes, we expect our suppliers to comply with the Modern Slavery Act 2015.

The directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the Group and Company financial statements in accordance with UK-adopted [illegible] [illegible] Accounting Standards [illegible] 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 Company.

Directors' report for the year ended 30 June 2023

and of the profit or loss of the Group and Company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

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

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

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

As permitted by the Articles of Association, the directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force.

In the case of each director in office at the date the Directors' Report is approved:

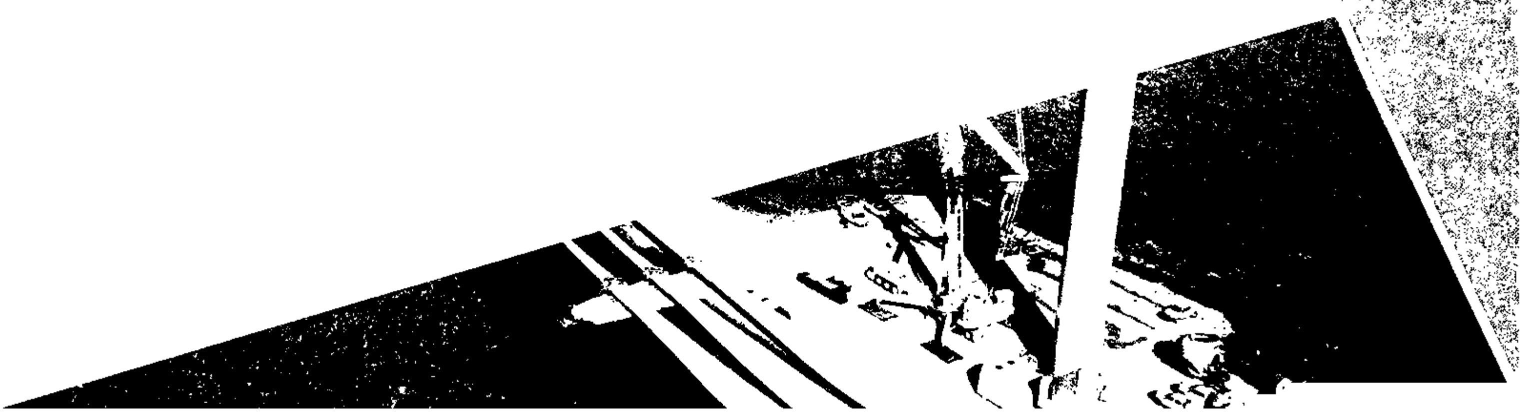
- so far as the director is aware, there is no relevant audit information of which the Group and Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the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

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Ernst & Young LLP, having been appointed in 2022, have indicated their willingness to be reappointed for another term and will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

The Directors' report was approved by the Board of Directors on 20 December 2023 and signed on its behalf by:

PS Latham
Director
20 December 2023



Independent auditors' report to the members of Fern Trading Limited

We have audited the financial statements of Fern Trading Limited (the Parent Company) and its subsidiaries (the Group) for the year ended 30 June 2025 which comprise the Group Statement of Comprehensive Income, the Group and Parent Company Balance Sheet, the Group Statement of Cash Flows, the Group and Parent Statement of Changes in Equity and the related notes 1 to [illegible] 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 state of the Group's and of the Parent Company's affairs as at 30 June 2025 and of the Group's loss 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.

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. We are independent of the Group 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.

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

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

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group's ability to continue as a going concern.

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 contained within the annual report.

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

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 course of the audit or otherwise appears to be materially misstated. If we identify such material

Independent auditors' report to the members of Fern Trading Limited

inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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.

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.

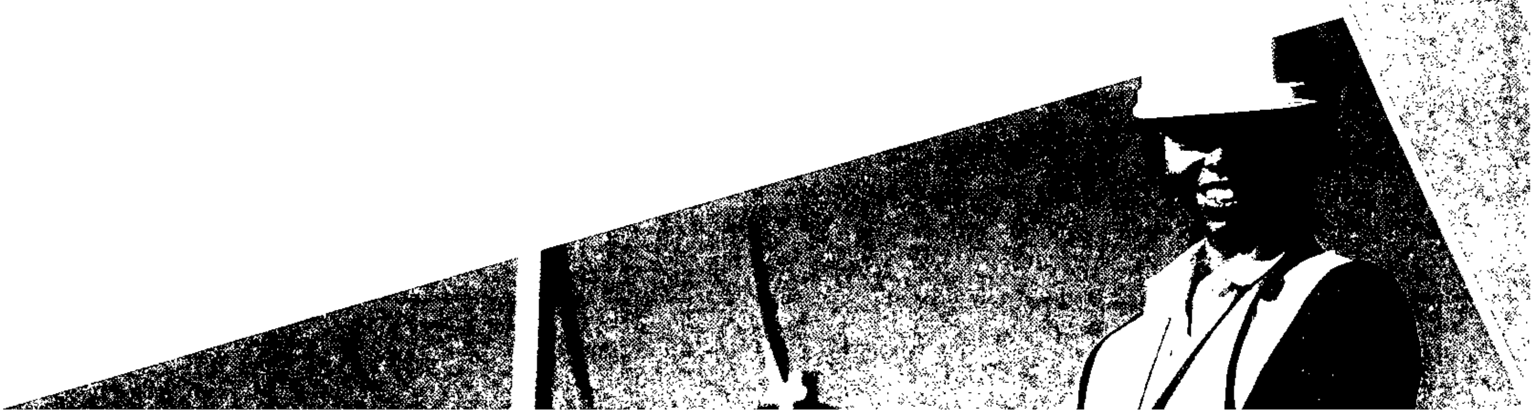
We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- 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.

As explained more fully in the Directors' responsibilities statement set out on pages 38 and 39, 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.

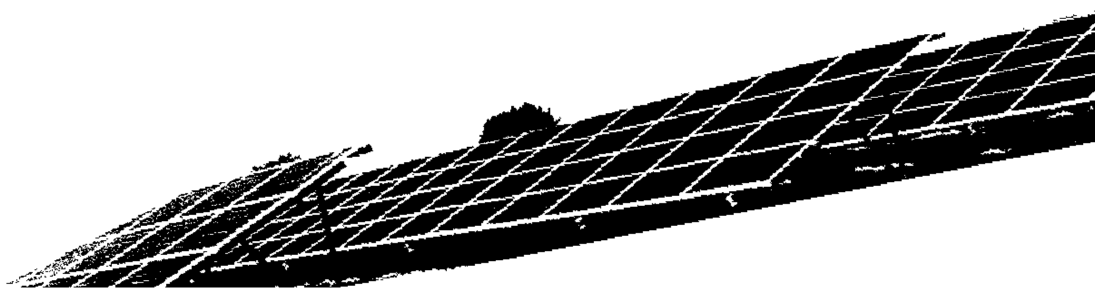
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee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



Independent auditors' report to the members of Fern Trading Limited

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:



Independent auditors' report to the members of Fern Trading Limited

journals, large or unusual transactions, or journals meeting our defined risk criteria based on our understanding of the business, tested accounting estimates for evidence of management bias, enquiring of members of senior management and those charged with governance regarding their knowledge of any non-compliance or potential non-compliance with laws and regulations that could affect the financial statements, and inspecting correspondence, if any, with the relevant licensing or regulatory authorities.

A further description of our responsibilities for the audit of the financial statements is located on the

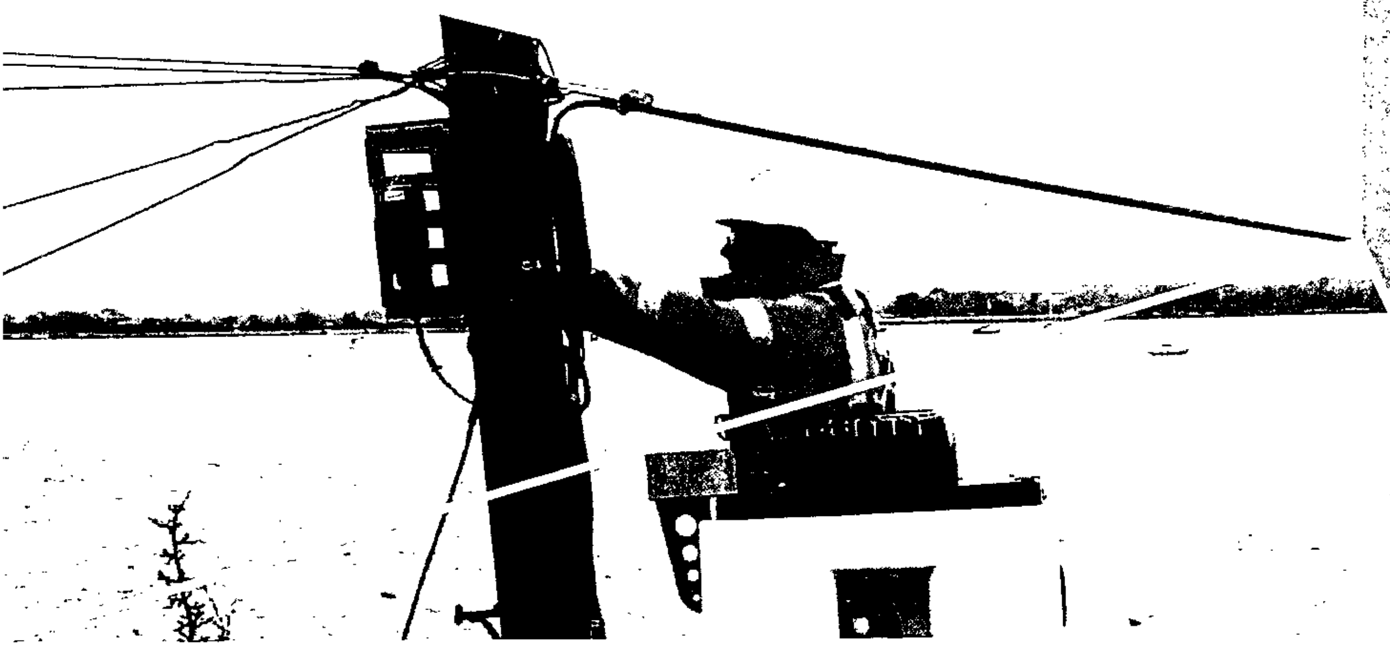
Financial Reporting Council's website at **www.frc.org.uk/auditorsresponsibilities**. This description forms part of our auditor's report.

[illegible]

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

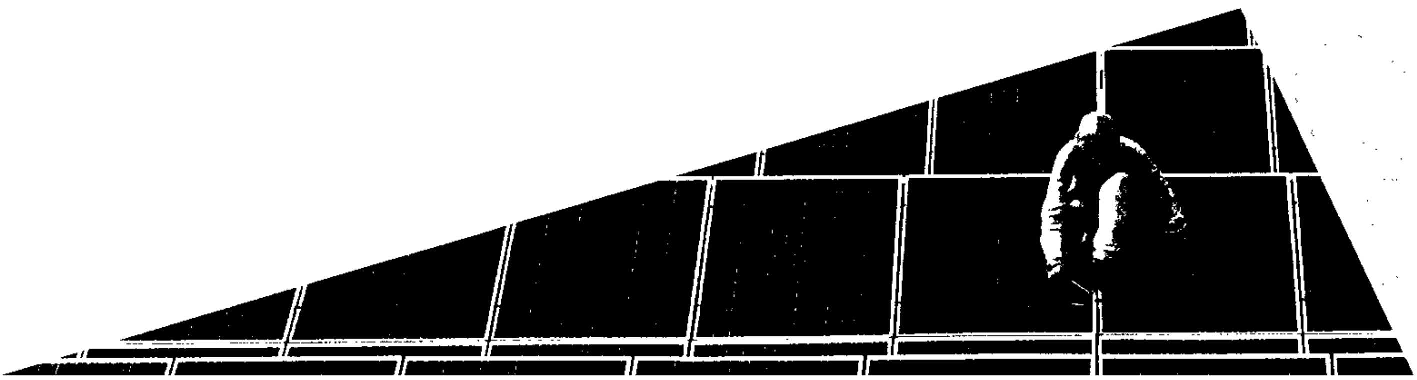
Michael Kidd (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Belfast
20 December 2023



		2023	Restated 2022
	Note	£'000	£'000
Turnover		**800,351**	[illegible]
[illegible]		**(526,367)**	[illegible]
Gross profit		**273,984**	[illegible]
[illegible]		**(379,077)**	[illegible]
Operating profit/(loss)		**(105,093)**	[illegible]
[illegible]		**4,968**	[illegible]
[illegible]		**955**	[illegible]
[illegible]		**(1,045)**	[illegible]
[illegible]		**713**	[illegible]
[illegible]		**(49,265)**	[illegible]
Profit/(loss) before taxation		**(148,767)**	[illegible]
[illegible]		**17,208**	[illegible]
Profit/(loss) for the financial year		**(131,559)**	[illegible]
Attributable to Fern		**(132,896)**	[illegible]
Minority interest		**1,337**	[illegible]
		(131,559)	[illegible]

[illegible]

	2023	Restated 2022
	£'000	£'000
Profit/(loss) for the financial year	**(131,559)**	[illegible]
Other comprehensive income		
[illegible]	**39,599**	[illegible]
[illegible]	**(9,093)**	[illegible]
Other comprehensive income for the year	**30,506**	[illegible]
Total comprehensive income for the year	**(101,053)**	[illegible]
Attributable to		
• **Owners of the parent**	**(102,390)**	[illegible]
• **Non-controlling interests**	**1,337**	[illegible]
	(101,053)	[illegible]



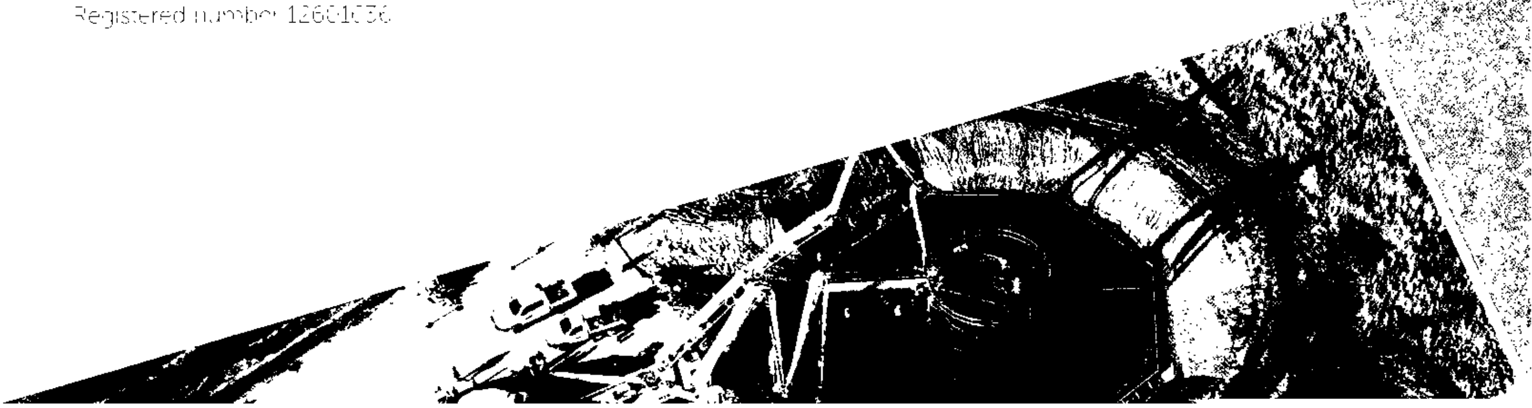
[illegible]

	Note	2023 £'000	(restated) 2022 £'000
Fixed assets			
Intangible assets	8	**528,874**	557,708
Tangible assets	[illegible]	**2,035,554**	1,893,430
Investments	[illegible]	**13,742**	35,452
		2,578,170	2,486,590
Current assets			
Stocks	12	**263,616**	[illegible]
Debtors (including [illegible] falling due after more than one year)	13	**825,068**	[illegible]
Cash at bank and in hand	[illegible]	**156,919**	256,415
		1,245,603	1,064,770
Creditors: amounts falling due within one year	14	**(430,891)**	(258,264)
Net current assets		**814,712**	806,506
Total assets less current liabilities		**3,392,882**	3,293,096
Creditors: amounts falling due after more than one year	15	**(949,946)**	(993,325)
Provisions for liabilities		**(76,884)**	(78,851)
Net assets		**2,366,052**	2,220,920
Capital and reserves			
Called up share capital	[illegible]	**175,876**	161,662
Share premium account		**608,085**	564,882
[illegible]		**1,613,899**	[illegible]
[illegible]		**91,516**	13,191
Profit and loss account		**(110,530)**	9,741
Total shareholders' funds		**2,378,846**	2,227,821
Non-controlling interests		**(12,794)**	(6,901)
Capital employed		**2,366,052**	2,220,920

Note 26 details the prior period adjustments.

These consolidated financial statements on pages 44 to 95 were approved by the Board of directors on 20 December 2023 and are signed on their behalf by:

PS Latham
Director
Registered number 12601036



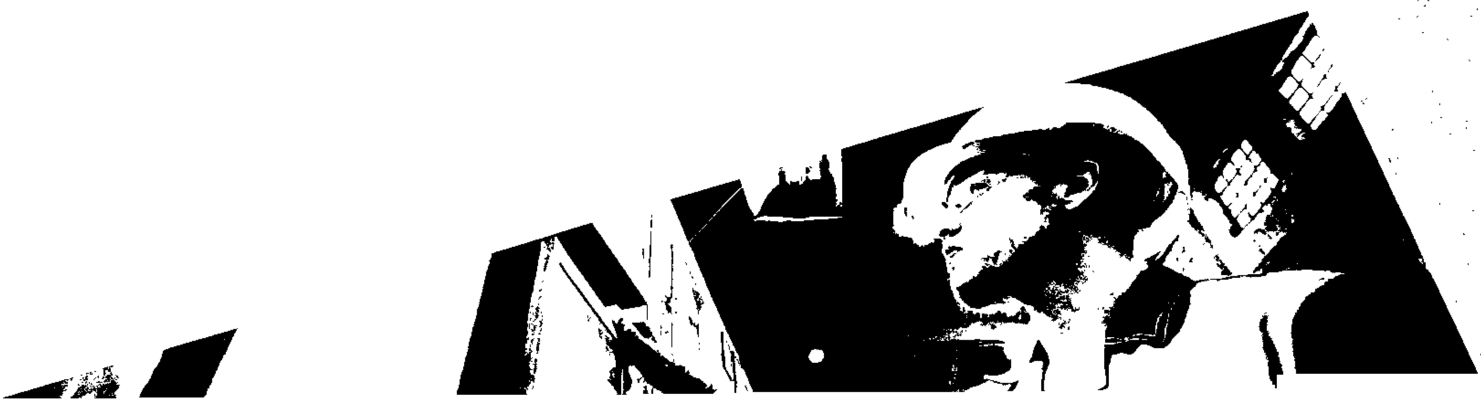
4 FINANCIAL STATEMENTS 30 JUNE 2023

	Note	2023 £'000	2022 £'000
Fixed assets			
[illegible]	[illegible]	**2,991,990**	[illegible]
		2,991,990	[illegible]
Current assets			
[illegible]	[illegible]	**26,543**	[illegible]
[illegible]	[illegible]	**17,478**	[illegible]
		44,021	[illegible]
Creditors: amounts falling due within one year	[illegible]	**(700)**	[illegible]
Net current assets		**43,321**	[illegible]
Total assets less current liabilities		**3,035,311**	[illegible]
Net assets		**3,035,311**	[illegible]
Capital and reserves			
[illegible]	[illegible]	**175,876**	[illegible]
[illegible]		**608,085**	[illegible]
[illegible]		**1,986,457**	[illegible]
[illegible]		**264,893**	[illegible]
Total shareholders' funds		**3,035,311**	[illegible]

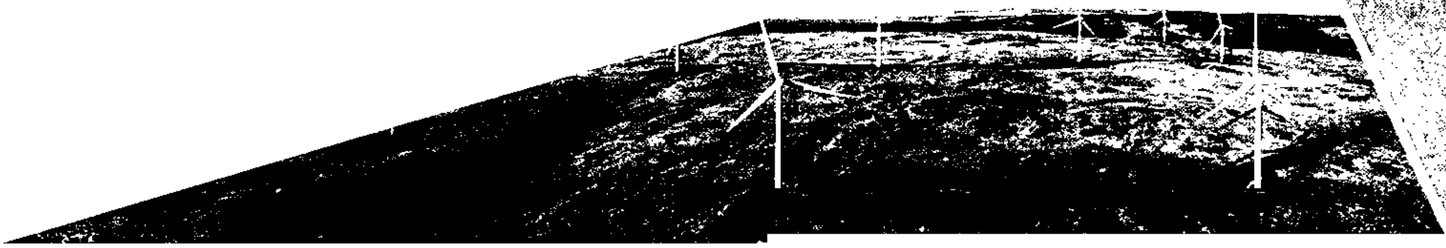
[illegible]

[illegible]

PS Latham
[illegible]
[illegible]



	Called up share capital	Share premium account	Merger reserve	Cash flow hedge reserve (restated)	Profit and loss account (restated)	Total share-holders' funds (restated)	Non-controlling interest	Capital employed (restated)
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]				[illegible]	[illegible]	[illegible]		
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]		–	–		[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	–		–	[illegible]		[illegible]	–	[illegible]
[illegible]	–			–	[illegible]	[illegible]		[illegible]
[illegible]	–	–		[illegible]	[illegible]	[illegible]		[illegible]
[illegible]	–	–		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]			[illegible]		[illegible]	–		
[illegible]	[illegible]	[illegible]		–		[illegible]	–	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Balance as at 1 July 2022 (restated)	**161,662**	**364,882**	**1,635,569**	**51,917**	**9,791**	**2,222,821**	**(2,901)**	**2,220,920**
Profit for the financial year	**–**	**–**	**–**	**–**	**(132,896)**	**(111,226)**	**1,337**	**(109,889)**
Changes in market value of cash flow hedges	**–**	**–**	**–**	**39,599**	**–**	**39,599**	**–**	**39,599**
Foreign exchange loss on retranslation of subsidiaries	**–**	**–**	**–**	**–**	**(9,093)**	**(9,093)**	**–**	**(9,093)**
Other comprehensive income/(expense) for the year	**–**	**–**	**–**	**39,599**	**(9,093)**	**30,506**	**–**	**30,506**
Total comprehensive income/(expense) for the year	**–**	**–**	**–**	**39,599**	**(141,989)**	**(102,390)**	**1,337**	**(101,053)**



	Called up share capital	Share premium account	Merger reserve	Cash flow hedge reserve (restated)	Profit and loss account (restated)	Total share-holders' funds (restated)	Non-controlling interest	Capital employed (restated)
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Non-controlling interest arising on business combination	–	–	–	–	–	–	(11,230)	(11,230)
Utilisation of merger reserve	–	–	(21,670)	–	21,670	–	–	–
Shares issued during the year	14,214	243,203	–	–	–	257,417	–	257,417
Balance as at 30 June 2023	175,876	608,085	1,613,899	91,516	(110,530)	2,378,847	(12,794)	2,366,052

Note 26 details the prior period adjustments

	Called up share capital	Share premium account	Merger reserves	Profit and loss account	Total shareholders' funds
	£'000	£'000	£'000	£'000	£'000
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]		–	[illegible]	[illegible]	[illegible]
[illegible]	–	[illegible]	[illegible]	[illegible]	–
[illegible]		[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	–	[illegible]
[illegible]					
Balance as at 30 June 2022	161,662	364,882	1,986,457	72,838	2,585,839
Profit for the financial year	–	–	–	192,055	192,055
Utilisation of merger reserve	–	–	–	–	–
Total comprehensive income	–	–	–	192,055	192,055
Shares issued during the year	14,214	243,203	–	–	257,417
Shares cancelled during the year	–	–	–	–	–
Balance as at 30 June 2023	175,876	608,085	1,986,457	264,893	3,035,311

[illegible]

	Note	2023	(Restated) 2022
		£'000	£'000
Cash flows from operating activities			
[illegible]		**(132,896)**	44,643
Adjustments for:			
[illegible]	[illegible]	**(17,208)**	17,868
[illegible]	[illegible]	**(713)**	[illegible]
[illegible]	[illegible]	**49,264**	25,270
[illegible]	[illegible]	**1,045**	(29,532)
[illegible]		**(955)**	(5,449)
[illegible]	[illegible]	**43,991**	45,762
[illegible]	[illegible]	**103,754**	101,807
[illegible]		**21,670**	–
[illegible]		**3,961**	7,040
[illegible]		**(19,149)**	(18,014)
[illegible]		**(48,283)**	(9,829)
[illegible]		**(160,903)**	61,022
[illegible]		**105,863**	[illegible]
[illegible]	[illegible]	**1,337**	[illegible]
[illegible]		**8,528**	25,853
Net cash generated from operating activities		**(40,694)**	[illegible]
Cash flows from investing activities			
[illegible]		**(19,176)**	[illegible]
[illegible]		**120,521**	[illegible]
[illegible]		**(490,656)**	[illegible]
[illegible]		**90**	[illegible]
[illegible]		**(65,335)**	[illegible]
[illegible]	[illegible]	**88,000**	105,000
[illegible]	[illegible]	**713**	[illegible]
Net cash used in investing activities		**(365,843)**	[illegible]
Cash flows from financing activities			
[illegible]		**284,617**	[illegible]
[illegible]		**(186,453)**	[illegible]
[illegible]		**(49,264)**	[illegible]
[illegible]	[illegible]	**257,417**	[illegible]
Net cash generated from financing activities		**306,317**	[illegible]
Net (decrease)/increase in cash and cash equivalents		**(99,496)**	[illegible]
[illegible]	[illegible]	**256,415**	[illegible]
[illegible]		**724**	[illegible]
Cash and cash equivalents at the end of the year	[illegible]	**156,919**	[illegible]

Note [illegible] details the prior period adjustments

Statement of accounting policies

Fern Trading Limited (the Company) is a private company limited by shares and incorporated on 14 May 2020. The company is domiciled in England, the United Kingdom and registered under company number 12601636. The address of the registered office is at 6th Floor, 33 Holborn, London, England, EC1N 2HT.

The Group and individual financial statements of Fern Trading Limited have been prepared in compliance with the United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

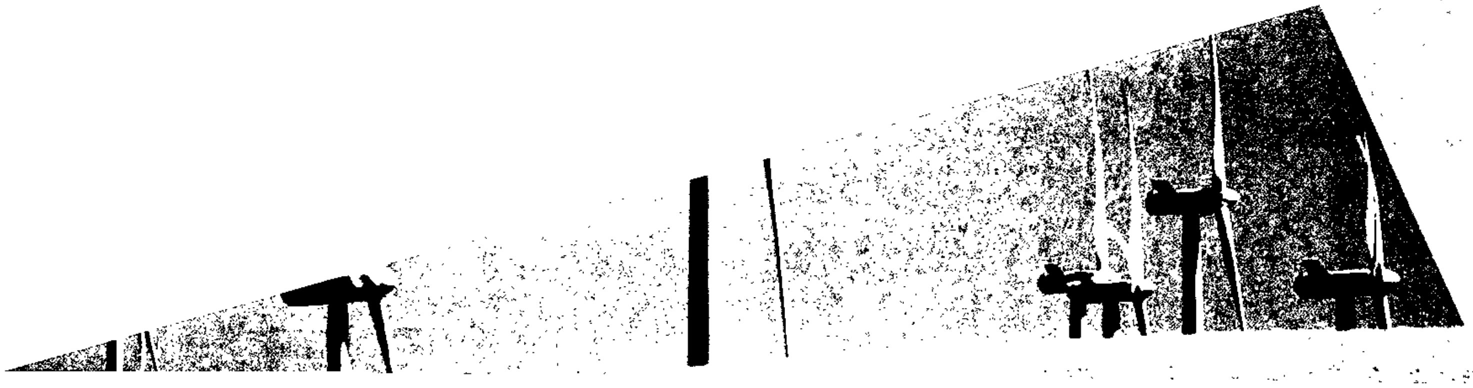
The financial statements have been prepared on a going concern basis, under the historical cost convention as modified by the recognition of certain financial assets and liabilities measured at fair value, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

The consolidated financial statements include the results of all subsidiaries owned by Fern Trading Limited as listed in note 12 of the annual financial statements. Certain companies of these subsidiaries, which are listed in note 12, have taken the exemption from an audit for the year ended 30 June 2023 permitted under section 479A of Companies Act 2006. In order to allow these subsidiaries to take the audit exemption, the parent company has given a statutory guarantee in line with section 479C of Companies Act 2006 of all the outstanding liabilities as at 30 June 2023.

The Group's and the Company's business activities, together with the factors likely to affect its future development, performance and position, are set out in the Strategic Report on pages [illegible]. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described in the financial review on pages [illegible]. The principal risks of the Group are set out on pages [illegible].

The Directors perform an annual going concern review that considers the Group's ability to meet its financial obligations as they fall due for a period of twelve months after the date that the financial statements have been signed.

Due to the challenging market conditions, management have performed an assessment to determine whether there are any material uncertainties relating that could cast significant doubt on the ability of the Group to continue as a going concern. No significant issues have been noted and as a consequence the directors believe that the Group is well placed to manage its business risks successfully despite the current uncertain economic situation.



Statement of accounting policies

In reaching this conclusion the Directors have reviewed the financial impact of the uncertainty on the Group's balance sheet, profit and loss and cash flows with specific consideration given to the following:

A reverse stress test was performed on the base case forecast to ascertain what scenarios would result in risks to the Group's liquidity position. The test showed even in an unlikely scenario of a significant reduction of revenue of 46%, the Group is able to sustain its current operational costs and meet all liabilities as they fall due for at least a year from the date of signing these financial statements whilst utilising the available facilities within the Group.

The Group has a number of financing facilities that contain covenants requiring the Group to maintain specified financial ratios and comply with certain other financial covenants. These financial covenants are tested at least biannually, and at the date of this report, the Group is in compliance with all its financial covenants. Stress tests on reasonably plausible scenarios such as a significant reduction in EBITDA of 81% over time have been used to assess the covenant requirements for the at least the next twelve months and all covenants have been forecast to be met even under the stress test scenario in the going concern period.

At 30 June 2023, the Group had available cash of £[illegible]m and headroom available of £[illegible]m including a revolving credit facility of £290m. Debt of £2[illegible]m is due to mature in less than one year, with the remainder of £941m payable in more than one year. The Group's facilities, repayment dates and undrawn amounts are set out in Note 16 Loans and Borrowings.

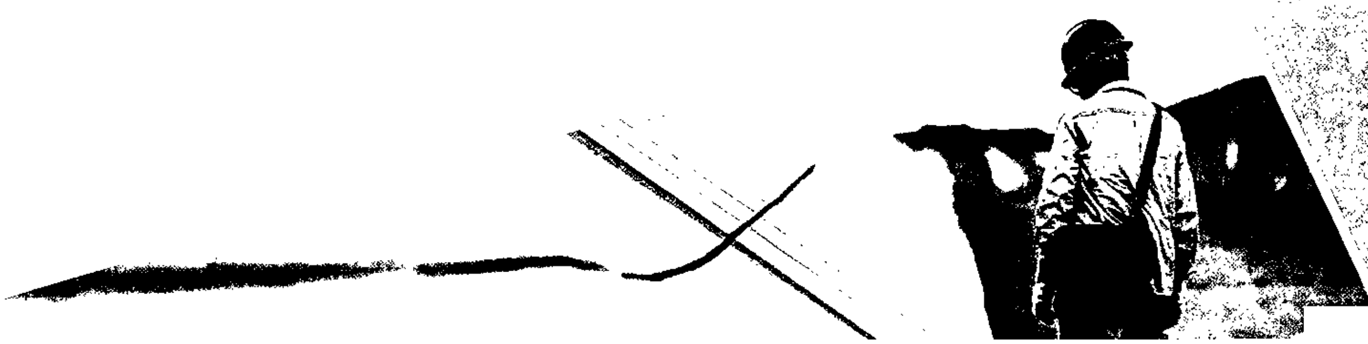
Key accounting judgement and estimates have been made with consideration given to the current economic outlook. Key estimates include loan recoverability, valuation of work in progress, decommissioning provisions, impairment of goodwill and investments, business combinations and hedge accounting. Details are set out on pages [illegible] to 60.

Based on the above assessment of current economic conditions and the impact on the Group's financial position, liquidity and financial covenants, the Directors have concluded that the Group and the Company has adequate resources to continue in operational existence for the next 12 months. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the Company's shareholders.

The Company has taken advantage of the following exemptions:

- from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in these financial statements, includes the Company's cash flows;
- from the financial instrument disclosures, required under FRS 102 paragraphs 11.39 to 11.48A and paragraphs 12.26 to 12.29, as the information is provided in the consolidated financial statement disclosures;
- from disclosing the Company key management personnel compensation, as required by FRS 102 paragraph 33.7.



Statement of accounting policies

The consolidated financial statements include the results of [illegible] Limited and all its subsidiary undertakings made up to the same accounting date. All intra group balances, transactions, income and expenses are eliminated in full on consolidation. The results of subsidiary undertakings acquired or disposed of during the period are included or excluded from the income statement from the effective date of acquisition or disposal.

All undertakings over which the Group exercises control, being the power to govern the financial and operating policies so as to obtain benefits from their activities, are consolidated. [illegible] subsidiary undertakings [illegible] made to the [illegible] accounting policies [illegible] Group [illegible] adjustments are made to the subsidiary's accounting policies when preparing the consolidated financial statements.

[illegible] during the year are included up to [illegible] from the [illegible] date of change of control or change in significant influence respectively.

[illegible]

i. Functional and presentation currency

The Group financial statements are presented in [illegible]

[illegible]

ii. Transactions and balances

[illegible]

iii. Translation

[illegible]

Statement of accounting policies

The Group operates a number of classes of business. Revenue is derived by the following:

- Energy
  Turnover from the sale of electricity generated by solar farms, other generating assets, reserve power plants and biomass and landfill sites is recognised on an accruals basis in the period in which it is generated. Revenue from long-term government backed offtake agreements such as the Renewable Obligation Certification (ROC) scheme are accrued in the period in which it relates to. Turnover from the sale of fertiliser by biomass and landfill businesses is recognised on physical dispatch.

- Lending
  Turnover represents arrangement fees and interest on loans provided to customers, net of any value added tax. Loan interest is recognised on an accrual basis in line with contractual terms of the loan agreement. Arrangement fees are spread over the life of the loan to which they relate.

- Fibre
  Turnover is recognised at the fair value of the consideration received for internet connectivity and related IT services provided in the normal course of business, and is shown net of VAT. Turnover is recognised based on the date the service is provided.

- *House building*
  Turnover is recognised on legal completion of the sale of property, land and commercial spaces. Turnover from housing association contracts is recognised by reference to the value of work completed as a proportion of the total contract value. Turnover for retirement living is recognised when the significant risks and rewards of ownership of retirement properties have passed to the buyer on legal completion, the amount of revenue can be recognised reliably, and it is probable that the economic benefits associated with the transaction will flow to the entity.

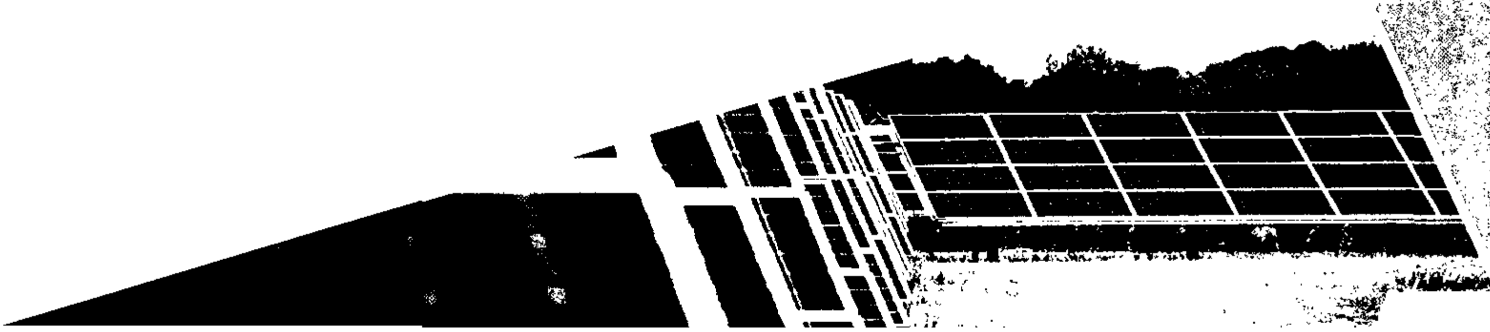
The Group provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined contribution pension plans.

i. Short-term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

ii. Defined contribution pension plan

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the Group in independently administered funds.



Statement of accounting policies

iii. Share-based payments

Cash-settled share-based payments are measured at fair value at the balance sheet date. The Group recognises a liability at the balance sheet date based on these fair values, taking into account the estimated number of units that will actually vest and the current proportion of the vesting period. Changes in the value of this liability are recognised in the income statement.

The Group has no equity-settled arrangements.

Finance costs are charged to the profit and loss account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument and released to the profit and loss account over the term of the debt.

Tax is recognised in the statement of income and retained earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

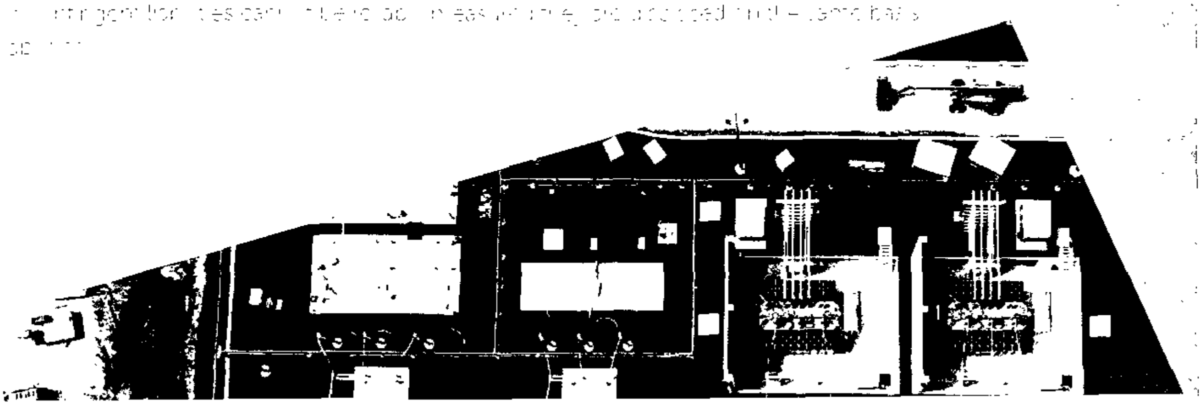
- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Business combinations are accounted for by applying the purchase method.

The cost of a business combination is the fair value of the consideration given, liabilities incurred or assumed and of equity instruments issued plus the costs directly attributable to the business combination. Where control is achieved in stages the cost is the consideration at the date of each transaction.

On acquisition of a business, fair values are attributed to the identifiable assets, liabilities and contingent liabilities [illegible] the fair value of [illegible] can be measured reliably, in which case the value is incorporated [illegible] [illegible] the fair value of contingent liabilities cannot be reliably measured they are disclosed on the same basis as other contingent liabilities.



Statement of accounting policies

Goodwill recognised represents the excess of the fair value and directly attributable costs of the purchase consideration over the fair values to the Group's interest in the identifiable net assets, liabilities and contingent liabilities acquired.

On acquisition, goodwill is allocated to cash-generating units ('CGU's') that are expected to benefit from the combination.

Goodwill is amortised over its expected useful life which is determined based on the estimated lifespan of the assets acquired. Where the Group is unable to make a reliable estimate of useful life, goodwill is amortised over a period not exceeding ten years. Goodwill is reviewed and assessed for impairment indicators on an annual basis and any impairment is charged to the profit and loss.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives. Depreciation commences from the date an asset is brought into service. Land and assets in the course of construction are not depreciated. Tangible assets are depreciated over their estimated useful lives, as follows:

Land and buildings	2% to 4% straight line
Power stations	3% to 5% straight line
Plant and machinery	4% to 33% straight line
Network assets	4% to 6% straight line

Assets in the course of construction are stated at cost. These assets are not depreciated until they are available for use.

Where factors, such as technological advancement or changes in market price, indicate that residual value or useful life have changed, the residual value, useful life or depreciation rate are amended prospectively to reflect the new circumstances. The assets are reviewed for impairment if the above factors indicate that the carrying amount may be impaired.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within profit or loss.

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated, using the straight-line method, to allocate the depreciable amount of the assets to their residual values over their estimated useful lives, as follows:

Development rights	25 and 30 years
Software	2 to 10 years

Amortisation expenses are included in administrative expenses. Development rights relate to planning consent to build a solar farm and a wind farm acquired on acquisition.

Where factors, such as changes in market price, indicate that residual value or useful life have changed, the residual value, useful life or amortisation rate are amended prospectively to reflect the new circumstances.

The assets are reviewed for impairment if the above factors indicate that the carrying amount may be impaired.

Statement of accounting policies

At inception the Group assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is or contains a lease based on the substance of the arrangement and whether the lease should be classified as either a finance lease or an operating lease.

Leases of assets that transfer substantially all the risks and rewards incidental to ownership are classified as finance leases. Finance leases are capitalised at the commencement of the lease at the fair value of the leased asset and depreciated over the shorter of the lease term and the estimated useful life of the asset. Assets are assessed for impairment at each reporting date.

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

The Company holds investments in a subsidiary at cost less accumulated impairment losses. If an impairment loss is subsequently reversed, the carrying amount of the investment is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the profit and loss account.

Cash includes cash in hand and deposits repayable on demand. Restricted cash represents cash for which the Group does not have immediate and direct access or for which regulatory or legal requirements restrict the use of the cash.

[illegible] are stated at the lower of cost and net realisable value. [illegible] determined on the first-in first-out (FIFO) method.

Fuel stocks (AVGAS and [illegible]) are valued on an average cost basis [illegible] for unusable items [illegible].

[illegible] stocks [illegible] valued at the historical cost [illegible] provision for unusable stock is [illegible] on an individual stock basis and is [illegible] monthly. [illegible] first-in first-out (FIFO) [illegible].

Stocks of [illegible] are stated at the lower of cost and net realisable value to the Group.

[illegible] property development [illegible] are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date an assessment is made for impairment [illegible] the carrying amount [illegible] its estimated selling price less costs to complete and sell is recognised as an impairment loss through the profit and loss account. Reversals of impairment losses are also recognised in the profit and loss account.

Statement of accounting policies

Accrued income on loans is calculated at the rate of interest set out in the loan contracts. Energy income is accrued over the period in which it has been generated.

Deferred income is recognised in accordance with the terms set out in the contract. Deferred income is released to the profit and loss account in the period to which it relates.

The Group has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

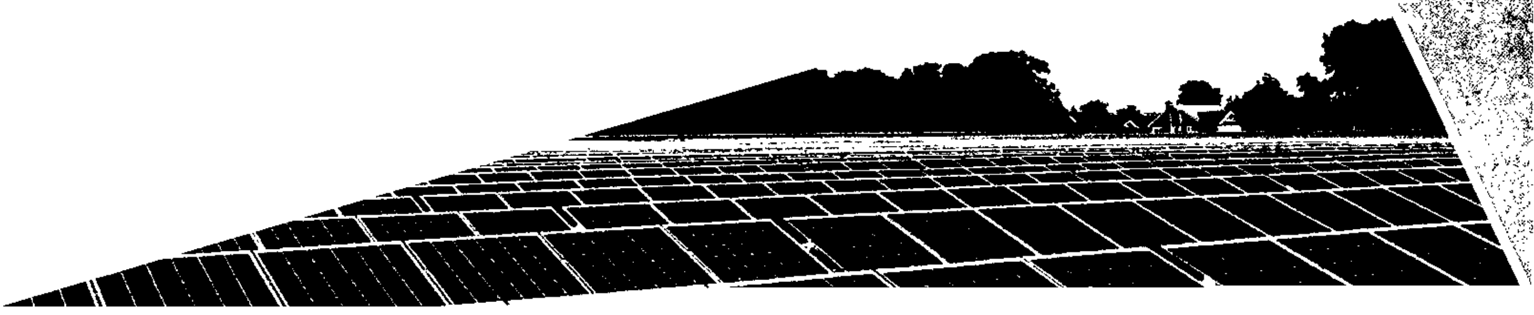
Basic financial assets, including trade and other receivables and cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow Group companies and preference shares, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.



Statement of accounting policies

Debt instruments are subsequently carried at amortised cost using the effective interest rate method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

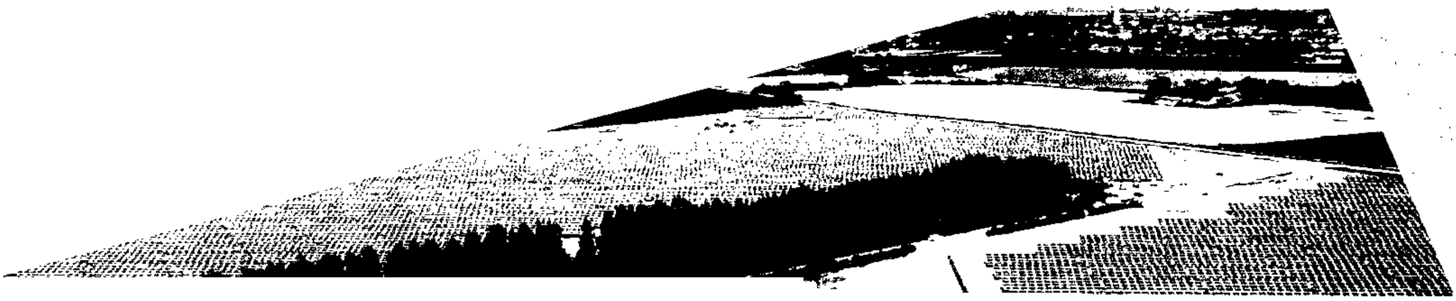
Provisions are charged as an expense to the profit and loss account in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

The Group applies hedge accounting for transactions entered into to manage the cash flow exposures of borrowings. Interest rate swaps are held to manage the interest rate exposures and are designated as cash flow hedges of floating rate borrowings. Changes in the fair values of derivatives designated as cash flow hedges, and which are effective, are recognised in other comprehensive income. Any ineffectiveness in the hedging relationship (being the excess of the cumulative change in fair value of the hedging instrument since inception of the hedge over the cumulative change in the fair value of the hedged item since inception of the hedge) is recognised in the profit and loss.

The gain or loss recognised in other comprehensive income is reclassified to the profit and loss account in line with the cash flows of the hedged item. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, the forecast transaction is no longer highly probable, the hedged debt instrument is derecognised or the hedging instrument is terminated.

Ordinary shares issued by the Group are recognised at the value of the proceeds received, with the excess over nominal value being credited to share premium.

Non-controlling interests are measured at their proportionate share of the fair value of identifiable net assets at the date of acquisition.



Statement of accounting policies

[illegible]

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in 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 key estimates and judgements in preparing these financial statements are:

i. Recoverability of loans and advances to customers (estimate)

Loans and advances to customers, including associated accrued income balances, are reviewed for impairment on a bi-annual basis. In considering the need for a provision, management determine their best estimate of the expected future cash flows on a case by case basis. As this estimate relies on a certain number of assumptions about future events which may differ from actual outcomes, including the borrower's ability to repay interest and capital due in future periods, this gives rise to judgement as to whether there is a shortfall between the carrying value and the fair value of the debtor balance.

Management note that provisions against loans and advances is a critical estimate and have therefore performed sensitivity analysis on the provision. The results of the sensitivity analysis conclude that a change of +/- one per cent in the amount provided against the estimated balance at risk would have resulted in £7.6m less/more expenditure being charged to the income statement during the period. See note 15 for the carrying amount of the debtors and provisions at 30 June 2023.

ii. Value of property development work in progress ('WIP') (estimate)

Property development WIP is reviewed for impairment on a periodic basis. In considering the need for a provision, management determine their best estimate of the recoverable value. Management engage an expert external valuer to provide key assumptions about future events which may differ from actual outcomes, including property valuations, rate of sales and development costs.

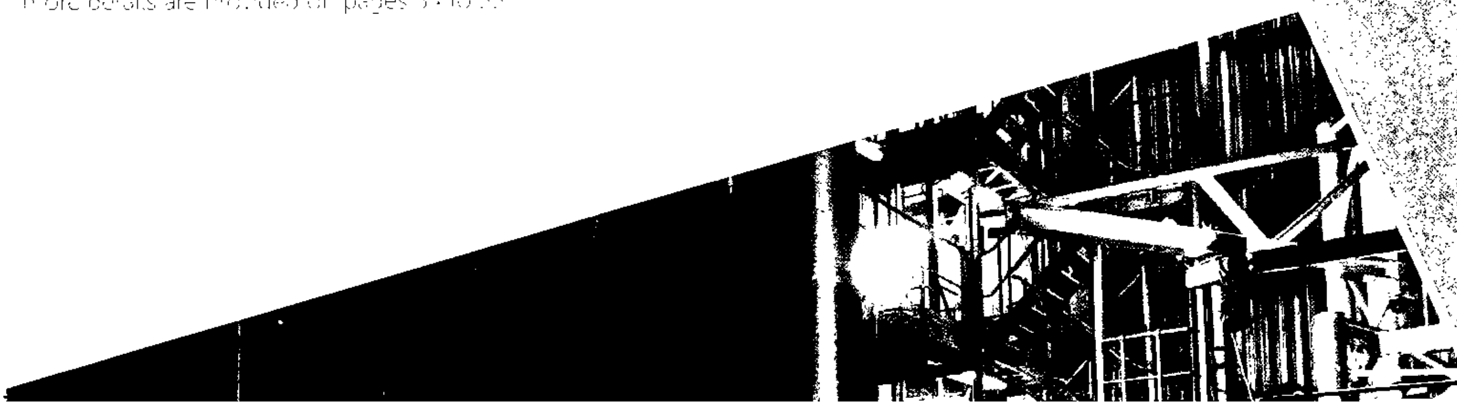
These estimates give rise to judgement as to whether there is a shortfall between the carrying value and the fair value of the balance as at the 30 June 2023. Post year end, management have reviewed the assumptions used to determine the value of property development WIP and have observed no changes in performance that would impact the valuation as at the 30 June 2023. See note 12 for the carrying amount of the property development WIP.

iii. Purchase price agreement (Australian entities) (judgement)

The Group owns one energy generating subsidiary in Australia which has entered into purchase price agreements ('PPAs') in 2019 and 2021. The PPA's include a contract for differences ('CfD') whereby the subsidiaries pay/receive amounts from the customer based on the differences between a fixed selling price and the actual price for electricity sold to the Australian energy market. The directors believe the contract is outside the scope of FRS 102 section 12 as it is for the sale of a non-financial item and the CfD is typical for such arrangements. Therefore it is being accounted for under FRS 102 section 23 as a revenue contract with variable consideration rather than revaluing the entire contract to fair value.

iv. Business combinations (estimate)

The cost of a business combination is the fair value of the consideration given, liabilities incurred plus the costs directly attributable to the business combination. Fair value of these combinations is a key estimate and more details are provided on pages 54 to 55.



Statement of accounting policies

v. Decommissioning provision (estimate)

The provision for decommissioning costs is measured at management's best estimate of the present value of the expenditure required to settle the future obligation to return land on which there are operational wind and solar farms to its original condition. The level of the provisions is determined to a significant degree by the estimation of future dismantling and restoration costs, as well as the timing of dismantlement.

Wind Farms (estimate):

Management note that decommissioning provisions is a critical estimate and have therefore performed sensitivity analysis. The results of the sensitivity analysis conclude that a change of +/- one per cent in the discount rate would have resulted in [illegible] increase/decrease in the provision. See note [illegible] for the provision recognised at 30 June 2023. Management utilise external expertise to provide an estimated cost to dismantle and have used a discount rate of [illegible] to reflect the time in value of money and the risks specific to the obligation.

UK Solar (estimate):

Management note that decommissioning provisions is a critical estimate and have therefore performed sensitivity analysis. The results of the sensitivity analysis conclude that a change of +/- one per cent in the discount rate would have resulted in [illegible] increase/decrease in the provision. See note [illegible] for the provision recognised at 30 June 2023. Management utilise external expertise to provide an estimated cost to dismantle and have used a discount rate of [illegible] to reflect the time in value of money and the risks specific to the obligation.

French Solar (judgment):

Management believe that given the nature of these particular assets, there is an incentive to either take title of the assets for either continued use or to realise value through selling the assets, and as such do not believe that an outflow is probable to settle this obligation [illegible]. Management will continue to monitor the situation at each balance sheet date.

vi. Impairment of goodwill and investments (estimate)

The value of goodwill held by the Group and investments in subsidiary undertakings held by the Company is reviewed annually for impairment. The recoverability of these balances is considered with reference to the present value of the estimated future cash flows. These calculations use cash flow projections which are based on forward forecast business performance together with assumptions surrounding the expected life of the asset, externally prepared forecasts and valuations, and any adjustments required to the discount rate to take account of business risk. The estimated present value of these future cash flows is sensitive to the discount rate and growth rates used in the calculation, all of which require management's judgement. Testing of the carrying value has been performed during the year which has involved several scenarios being modelled. Based on this testing and the resulting impairment recognised on investments, management believe there is sufficient headroom to support the value of goodwill and investment in subsidiary entities.

Management note that impairment of goodwill and investments is a critical estimate and have therefore performed sensitivity analysis on the provision. The results of the sensitivity analysis conclude that a change of +/- one per cent in the amount provided against the estimated balance at risk would have resulted in [illegible] less/more expenditure being charged to the income statement during the period. See note [illegible] for the carrying amount of the goodwill and investments at 30 June 2023.

Notes to the financial statements for the year ended 30 June 2023

Analysis of turnover by category

	2023	2022
	£'000	£'000
[illegible]	48,613	[illegible]
[illegible]	393,562	[illegible]
[illegible]	212,158	[illegible]
[illegible]	54,849	[illegible]
[illegible]	74,932	25,034
[illegible]	16,237	[illegible]
	800,351	[illegible]

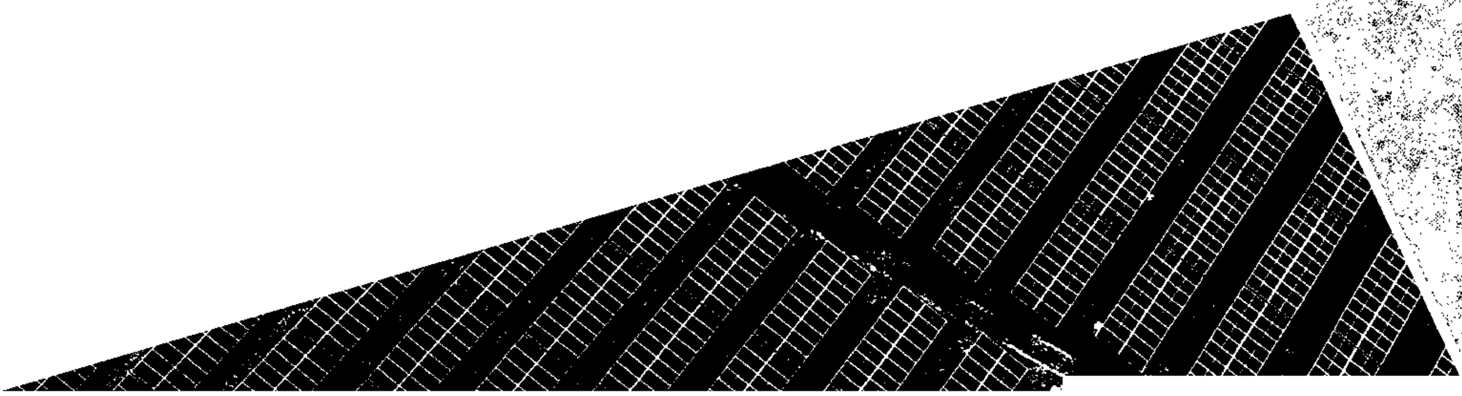
[illegible]

Analysis of turnover by geography

	2023	2022
	£'000	£'000
[illegible]	669,180	[illegible]
[illegible]	127,287	[illegible]
[illegible]	3,884	[illegible]
	800,351	[illegible]

Other income

	2023	2022
	£'000	£'000
[illegible]	4,968	[illegible]



Notes to the financial statements for the year ended 30 June 2023

This is stated after charging/(crediting):

	2023	2022
	£'000	£'000
[illegible]	43,055	[illegible]
[illegible]	936	[illegible]
[illegible]	103,754	[illegible]
[illegible]	21,670	
[illegible]	53	45
[illegible]	1,129	[illegible]
[illegible]	564	[illegible]
[illegible]	507	[illegible]
[illegible]	650	[illegible]
[illegible]	12,677	[illegible]

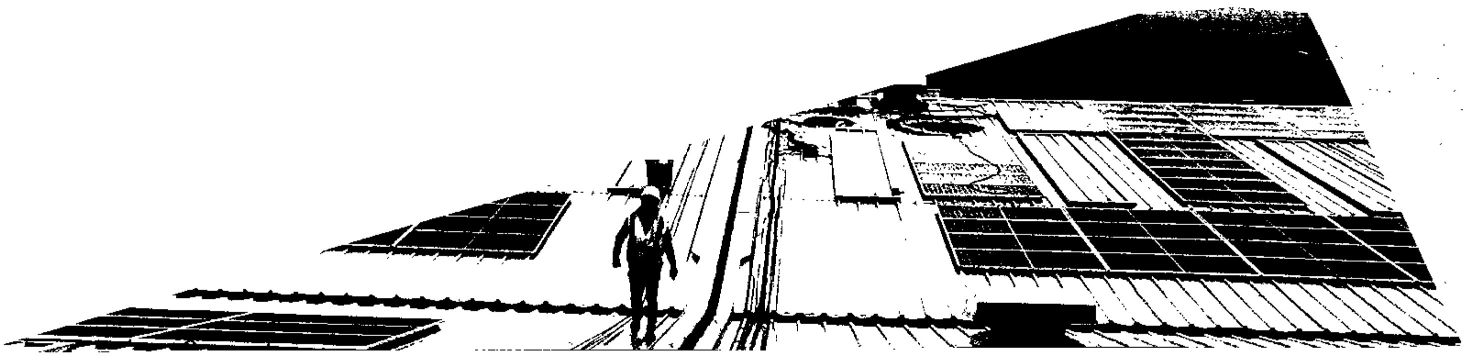
	2023	2022
	£'000	£'000
[illegible]	94,557	[illegible]
[illegible]	10,168	[illegible]
[illegible]	3,304	[illegible]
	108,029	[illegible]

[illegible]

The monthly average number of persons employed by the Group during the year was:

	2023	2022
	Number	Number
[illegible]	1,067	[illegible]
[illegible]	851	[illegible]
[illegible]	5	[illegible]
	1,923	[illegible]

[illegible]



Notes to the financial statements for the year ended 30 June 2023

	2023	2022
	£'000	£'000
Emoluments	**293**	[illegible]

During the year no pension contributions were made in respect of the directors (2022: none).

The Group has no other key management (2022: none).

A number of subsidiaries of the Group operate a cash settled LTIP to qualifying employees, whereby employees render services in exchange for cash, the amount of which is determined by reference to the valuation of the underlying subsidiary. The fair value of the liability for the awards made is measured at each reporting date and at the settlement date. The fair value is recognised over the vesting period. The amount of expense recognised takes into account the best available estimate of the number of units expected to vest under the service and performance conditions underlying each award granted.

Cash-settled share-based payment transactions with employees

	2023 Number of awards	2022 Number of awards
Opening outstanding balance	**3,678,314**	1,914,751
Movement during the year	**(122,417)**	1,763,563
Closing outstanding balance	**3,557,897**	3,678,314

The total charge for the year was £3,901,000 (2022: £3,137,000) and at the 30 June 2023 there was a liability of £[illegible],464,000 included within creditors greater than one year (2022: £2,407,000).

Interest receivable and similar income	**2023**	2022
	£'000	£'000
Interest on bank balances	**713**	130

Interest payable and similar expenses	**2023**	2022 (restated)
	£'000	£'000
Interest on bank loans	**46,322**	23,907
Amortisation of issue costs on bank borrowings	**2,943**	2,595
(Gain)/loss on derivative financial instruments	**0**	(1,232)
	49,265	25,270

Notes to the financial statements for the year ended 30 June 2023

a) Analysis of charge in year

	2023	Restated 2022
	£'000	£'000
Current tax:		
[illegible]	**(99)**	[illegible]
[illegible]	**623**	[illegible]
[illegible]	**2,089**	[illegible]
[illegible]	**2,613**	[illegible]
Deferred tax:		
[illegible]	**(25,748)**	[illegible]
[illegible]	**7,285**	[illegible]
[illegible]	**(1,358)**	[illegible]
[illegible]	**(19,821)**	[illegible]
Tax charge on profit/(loss) on ordinary activities	**(17,208)**	[illegible]

b) Factors affecting tax charge for the year

[illegible]

	2023	Restated 2022
	£'000	£'000
Profit/(loss) before tax	**(148,767)**	[illegible]
[illegible]	**(30,497)**	[illegible]
[illegible]		
[illegible]	**12,874**	[illegible]
[illegible]	**(5,407)**	[illegible]
[illegible]	**(892)**	[illegible]
[illegible]	**7,896**	[illegible]
[illegible]	**(1,182)**	[illegible]
Total tax charge for the year	**(17,208)**	[illegible]

c) Factors that may affect future tax charge

[illegible]

[illegible]

Notes to the financial statements for the year ended 30 June 2023

	Software	Goodwill (restated)	Development rights	Total
Group	**£'000**	**£'000**	**£'000**	**£'000**
Cost				
At 1 July 2022	**3,089**	**743,456**	**15,314**	**761,859**
Acquired through business combinations (see note 27)	6,612	5,565	–	11,810
Additions	2,047	14,105	–	17,519
Disposals		(3,439)	(10,216)	(13,655)
Gain on translation		–		–
At 30 June 2023	**11,748**	**760,687**	**5,098**	**777,533**
Accumulated amortisation				
At 1 July 2022	**119**	**202,475**	**1,557**	**204,151**
Disposals	(22)		(1,442)	(1,464)
Gain on translation	–	1,981		1,981
Impairment		936		936
Charged in the year	1,657	41,263	135	43,055
At 30 June 2023	**1,754**	**246,655**	**250**	**248,659**
Net book value				
At 30 June 2023	**9,994**	**514,032**	**4,848**	**528,874**
At 30 June 2022	2,970	540,981	13,757	557,708

The gain on translation of foreign currency denominated goodwill is recognised in other comprehensive income. Amortisation of goodwill is charged to administration costs.

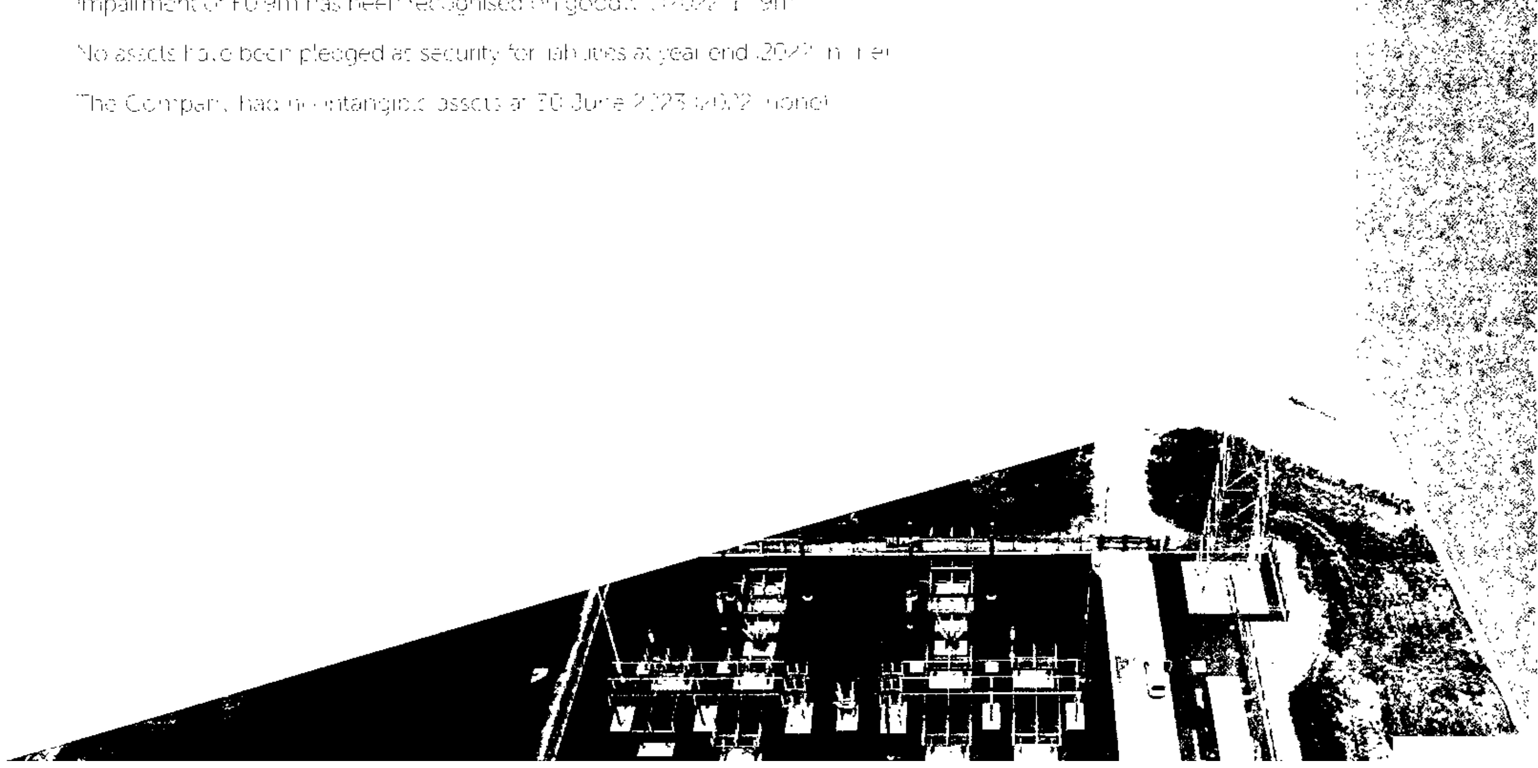
Details of the subsidiaries acquired during the year ended 30 June 2023 can be found in note 27.

During the year the Group disposed of a solar farm in Australia. Development rights relating to this sale were £10.2m with accumulated amortisation of £1.4m.

Impairment of £0.9m has been recognised on goodwill (2022: £7.9m).

No assets have been pledged as security for liabilities at year end (2022: nil).

The Company had no intangible assets at 30 June 2023 (2022: none).



Notes to the financial statements for the year ended 30 June 2023

Group	Land and buildings £'000	Power stations £'000	Plant and machinery £'000	Network assets	Assets under construction £'000	Total £'000
Cost						
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	–	–	[illegible]	–	[illegible]	[illegible]
[illegible]			[illegible]	–	–	[illegible]
[illegible]		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	–	–	[illegible]	[illegible]	[illegible]	[illegible]
At 30 June 2023	**18,991**	**320,987**	**1,508,751**	**275,329**	**588,824**	**2,712,882**
Accumulated depreciation						
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	–	[illegible]
[illegible]		[illegible]	[illegible]	–	–	[illegible]
[illegible]	[illegible]		[illegible]	[illegible]		[illegible]
[illegible]	[illegible]					[illegible]
[illegible]			[illegible]			[illegible]
At 30 June 2023	**1,669**	**122,811**	**533,847**	**19,001**	**–**	**677,328**
Net book value						
At 30 June 2023	**17,322**	**198,176**	**974,904**	**256,328**	**588,824**	**2,035,554**
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

[illegible]

Notes to the financial statements for the year ended 30 June 2023

Group	Unlisted investments £'000	Total £'000
Cost and net book value		
At 1 July 2022	35,452	35,452
Additions	66,290	66,290
Disposals	(88,000)	(88,000)
At 30 June 2023	**13,742**	**13,742**
At 30 June 2022	35,452	35,452

Company	Subsidiary undertakings £'000	Total £'000
Cost		
At 1 July 2022	2,539,978	2,539,978
Additions	452,012	452,012
Disposals	–	
At 30 June 2023	**2,991,990**	**2,991,990**
Accumulated impairments		
At 1 July 2022		
Reversal of impairment	–	
Impairment	–	
At 30 June 2023	**–**	**–**
Net book value		
At 30 June 2023	**2,991,990**	**2,991,990**
At 30 June 2022	2,539,978	2,539,978

Details of related undertakings are shown in note 29.

Unlisted investments comprise the Group's holding of the members' capital of Tenbo LLP, a lending business and its shareholding in Bracken Trading Limited. Fern co-founded Tenbo LLP in October 2012 with the intention of conducting a proportion of its future trade through the partnership. Additions and disposals of unlisted investments relate to investments and divestments in Tenbo LLP in line with Fern's cash requirements and to utilise surplus funds. Fern has a small shareholding in Bracken Trading Limited from time to time. Fern's investment in Bracken Trading Limited at 30 June 2023 was £Nil (30 June 2022: £nil). The directors do not consider Tenbo LLP or Bracken Trading Limited to be subsidiary undertakings of Fern Trading Limited.

Notes to the financial statements for the year ended 30 June 2023

Cash includes cash in hand and deposits repayable on demand.

Restricted cash represents cash for which the Group does not have immediate and direct access or for which regulatory or legal requirements restrict the use of the cash.

	Group	
	2023	[illegible]
	£'000	[illegible]
[illegible]	104,744	[illegible]
[illegible]	52,175	[illegible]
Cash at bank and in hand	156,919	[illegible]

[illegible]

[illegible]

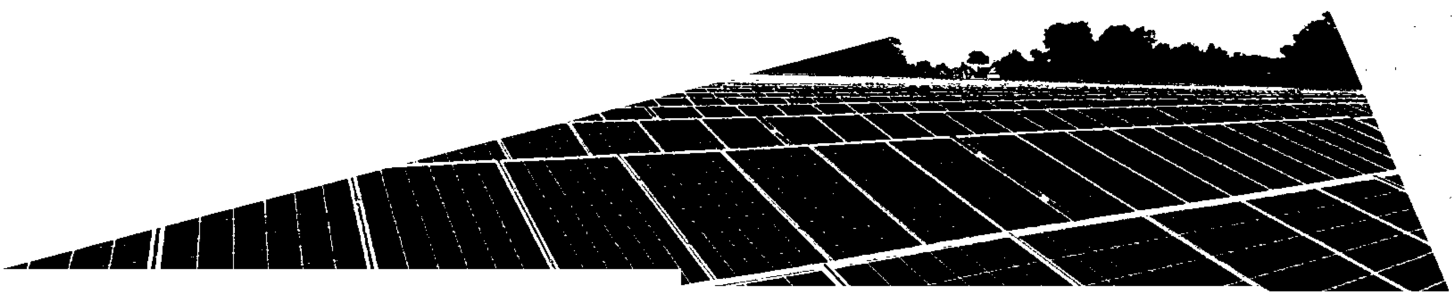
	Group	
	2023	[illegible]
[illegible]	£'000	[illegible]
[illegible]	1,978	[illegible]
[illegible]	27,132	[illegible]
	234,506	[illegible]
	263,616	[illegible]

[illegible]

[illegible]

[illegible]

[illegible]



Notes to the financial statements for the year ended 30 June 2023

	Group		Company	
	2023	2022 Restated	**2023**	2022
	£'000	£'000	**£'000**	£'000
Amounts falling due after one year				
Loans and advances to customers	**141,927**	137,662	**–**	-
Prepayments	**18,714**	-	**–**	
Amounts falling due within one year				
Loans and advances to customers	**297,609**	223,239	**–**	-
Trade debtors	**26,075**	42,050	**14**	[illegible]
Amounts owed by group undertakings (note 24)	**–**	-	**21,227**	[illegible]
Other debtors	**21,338**	29,197	**494**	3,847
Corporation tax	**3,475**	-	**4,624**	2,527
[illegible] (note 21)	**108,164**	[illegible]		-
Prepayments and accrued income	**189,146**	[illegible]	**184**	[illegible]
Assets held for resale	**18,620**		**–**	
	825,068	[illegible]	**26,543**	39,868

Loans and advances to customers are stated net of provisions of £44,942,000 (2022: £13,874,000). Prepayments and accrued income are stated net of provisions of £20,427,000 (2022: [illegible]).

Assets held for resale are in relation to [illegible] Healthcare where tangible fixed assets have been reclassified to current assets as at 30 June 2023.

No interest is charged on amounts owed by group undertakings, as the outstanding balances are unsecured and repayable on demand (2022: none).

Note 26 details the prior period adjustments.

Notes to the financial statements for the year ended 30 June 2023

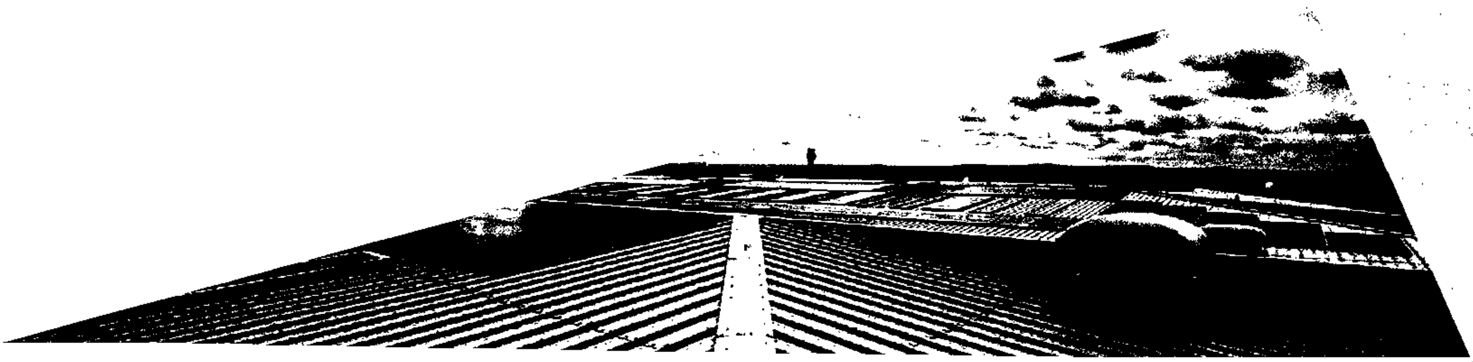
	Group		Company	
	2023	2022 restated	2023	2022
	£'000	£'000	£'000	£'000
[illegible]	217,142	[illegible]	–	–
[illegible]	50,183	[illegible]	1	76
[illegible]	–	[illegible]	–	
[illegible]	52,303	[illegible]	–	
[illegible]	29,844	[illegible]	–	–
[illegible]	81,419	[illegible]	699	[illegible]
	430,891	[illegible]	700	[illegible]

	Group	
	2023	[illegible]
Amounts falling due between one and five years	£'000	[illegible]
[illegible]	700,520	[illegible]
[illegible]	2,052	[illegible]
[illegible]	2,274	[illegible]
	704,846	[illegible]

	Group	
	2023	[illegible]
Amounts falling due after more than five years	£'000	[illegible]
[illegible]	240,522	[illegible]
[illegible]	4,578	[illegible]
	245,100	[illegible]
[illegible]	949,946	[illegible]

[illegible]

[illegible]



Notes to the financial statements for the year ended 30 June 2023

	2023	2022
Group	**£'000**	£'000
Due within one year	**217,142**	87,732
Due between one and five years	**700,520**	383,070
Due more than five years	**240,522**	573,416
	1,158,184	1,044,218

The Company had no bank loans at 30 June 2023

The bank loans are secured against assets of the Group with each loan as held by the subsidiary shown below

		2023	2022
	Interest rate	**£'000**	£'000
[illegible]	6 month SONIA plus 1.60%	**411,016**	429,139
[illegible]	SONIA plus 2.00% + 0.7% non utilisation fee	**125,000**	–
[illegible]	3 month EURIBOR plus 1.20%, Fixed rate 1.70%	**26,609**	30,946
[illegible]	1.2% + 6 month EURIBOR	**55,553**	56,079
[illegible]	6 month SONIA plus 1.50%	**281,938**	284,749
[illegible]	6.49% (swap rate of 4.59% + 1.9% margin)	**–**	114,026
[illegible]	6 month SONIA plus 2.5%	**72,717**	65,719
[illegible]	1.4% + BBSY	**156,563**	31,614
[illegible]	5% + SONIA + 2.5% non utilisation fee	**18,749**	12,398
[illegible]	3% + SONIA + 1.2% non-utilisation fee	**10,000**	
[illegible]	Fixed rate 2.5%	**39**	45
		1,158,184	1,044,218

SONIA replaced LIBOR as the effective interbank lending rate system from 1 January 2022. The rate change resulted in no commercial impact to the business.

Finance leases

The future minimum finance lease payments are as follows:

	2023	2022
	£'000	£'000
Payments due:		
Not later than one year	**1,195**	2,428
Later than one year and not later than five years	**6,594**	5,629
Later than five years	**79,141**	76,401
Total gross payments	**86,930**	84,458
Less finance charges	**(50,457)**	(51,395)
Carrying amount of the liability	**36,473**	33,063

The finance leases primarily relate to a leased building and healthcare equipment. There are no contingent rental, renewal or purchase option clauses. Rents payable increase by local inflation. Finance leases are secured against the leased assets.

The Company had no finance leases at 30 June 2023.

Notes to the financial statements for the year ended 30 June 2023

Group	Decommissioning provision £'000	Deferred tax £'000	Total £'000
At 1 July 2022 [illegible]	**41,023**	**37,828**	**78,851**
[illegible]	319	(27,106)	(26,78[illegible])
[illegible]	–	21,363	21,36[illegible]
[illegible]	(4,012)		(4,012)
[illegible]	–	[illegible]	[illegible]
[illegible]	[illegible]	–	[illegible]
[illegible]	[illegible]	–	[illegible]
At 30 June 2023	**37,441**	**39,443**	**76,884**

The decommissioning provision is held to cover future obligations to return land on which there are operational wind, biomass and solar farms to their original condition. The amounts are not expected to be utilised for in excess of 25 years.

The Company had no provisions at 30 June 2023.

The Group and Company have the following share capital:

Group	2023	2022
Allotted, called-up and fully paid	**£'000**	£'000
[illegible]	**175,876**	[illegible]

Company	2023	2022
Allotted, called-up and fully paid	**£'000**	£'000
[illegible]	**175,876**	[illegible]

During the year the Group issued [illegible] ordinary shares of £0.10 each for an aggregate nominal value of [illegible] for the shares issued during the year. [illegible]

[illegible] therefore the share capital and share premium [illegible] are treated as if they had always existed. [illegible]

Notes to the financial statements for the year ended 30 June 2023

in share capital arising both before and after the restructure are reported as movements in the Group share capital.

During the year the Company issued 142,136,908 (2022: 119,866,754) ordinary shares of £0.10 each for an aggregate nominal value of £14,214,000 (2022: £11,987,000). Of the shares issued during the year, total consideration of £257,417,000 (2022: £203,750,000) was paid for the shares, giving rise to a premium of £243,203,000 (2022: £191,764,000). During the year the Group purchased nil (2022: nil) of its own ordinary shares of £nil each with an aggregate nominal value of £nil (2022: £nil). Total consideration of £nil (2022: £nil) was paid for the shares, giving rise to a premium of £nil (2022: £nil).

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

Cash flow hedge reserve

The cash flow hedge reserve is used to record transactions arising from the Group's cash flow hedging arrangements.

Merger reserve

The merger reserve arises from the difference between the fair value of the shares issued and the book values of the subsidiaries acquired.

The movement in non-controlling interests was as follows:

Group	Note	Group 2023 £'000	2022 £'000
[illegible]		(2,901)	3,[illegible]21
[illegible]	27	(11,231)	–
[illegible]		1,337	(6,622)
[illegible]		(12,795)	(2,901)

Notes to the financial statements for the year ended 30 June 2023

As at 30 June 2023 there were no contingencies across the Group or Company

Carrying amounts of financial assets and liabilities

	Group		Company	
Group	**2023 £'000**	2022 £'000	**2023 £'000**	2022 £'000
Carrying amount of financial assets				
[illegible]	**508,042**	423,150	**509**	4,235
[illegible]	**105,691**	34,409	**–**	
Carrying amount of financial liabilities				
[illegible]	**1,265,555**	1,125,163	**1**	[illegible]

Note [illegible] details the prior period adjustments

Notes to the financial statements for the year ended 30 June 2023

Derivative financial instruments

The Group's financial risk management seeks to minimise the exposure to market risk, credit risk, liquidity and cash flow risk, and energy market risk.

a) Market risk

Energy market risk

The energy sector is experiencing significant turbulence and there is a risk that forecast levels of income are not achieved due to changes in wholesale energy prices, off-take contracts or government subsidies. Changes in Government policy or regulatory intervention may result in reduced income streams to the group due to additional levies.

Currency risk

The Group presents its consolidated financial statements in sterling and conducts business in a number of other currencies, principally euro and Australian dollar. Consequently the Group is exposed to foreign exchange risk due to exchange rate movements, which affect the Group's transactional expenses and the translation of earnings and net assets of its non-sterling operations.

Transactional exposures

Transactional exposures arise from administrative and other expenses in currencies other than the Group's presentational currency (sterling). The Group enters into forward foreign exchange contracts and foreign exchange swaps to mitigate the exchange rate risk for certain foreign currency payables and receipts. The forward currency contracts and swaps are measured at fair value, which is determined using valuation techniques that utilise observable inputs. The key inputs used in valuing the derivatives are the forward exchange rates for GBP:AUD and GBP:EUR. On 30 June 2023 the fair value of the foreign currency contracts was an asset of £nil (2022: £nil) and a liability of £nil (2022: £nil).

Translational exposures

Balance sheet translational exposures arise on consolidation on the retranslation of the balance sheet of non-sterling operations into sterling, the Group's presentational currency. The level of exposure is reviewed by management and the potential foreign exchange movement is within an acceptable level of risk and therefore, typically the Group's policy is not to actively hedge these exposures.

Interest rate risk

The Group has exposure to fluctuations in interest rates on its borrowings. Where the Group enters into borrowing arrangements with floating rate interest, a swap arrangement is entered into to fix a portion of the interest in order to mitigate against an increase in interest rates. The portion of interest to be fixed is assessed on a case by case basis. Management can elect whether to hedge account for these arrangements on an individual transaction basis and have elected to apply hedge accounting for interest rate swaps. The swaps are based on a principal amount of the loan facility and mature on the same date. On 30 June 2023 the outstanding interest rate swaps have a maturity in excess of five years and the fair value is in an asset position of £105,591,000 (2022: liability of £54,409,000).

Price risk

The Group is a short- to medium-term lender to the residential property market. To the extent that there is deterioration in the level of house prices that affects the properties that the Group's loans are secured against, there is a risk that the Group may not recoup its full exposure. This is mitigated by the short-term nature of the loans and the conservative level of loan to value that the Group is prepared to lend at.

Notes to the financial statements for the year ended 30 June 2023

b) Credit risk

Customer credit risk is mitigated through the Group's credit control policies which are in place to ensure that our customers have an appropriate credit history and are monitored on an ongoing basis.

c) Liquidity risk

Liquidity risks are managed by ensuring that sufficient cash is available to fund continuing and future operations.

Liquidity risk arises on bank loans in place across the Group and is managed through careful monitoring of covenants and sensible levels of [illegible]. Borrowing is on a long term basis whereas our [illegible] is [illegible] throughout the year, as well as interest and redemptions on our short term loan book. Cash flow risk is managed through [illegible] cash flow forecasting to ensure [illegible] are sufficient to meet liabilities as they fall due.

At the year end the Group had capital commitments as follows:

Group	2023 £'000	[illegible] £'000
[illegible]	**118,859**	[illegible]
[illegible]	**197,320**	[illegible]

At 30 June the Group had total future minimum lease payments under non-cancellable operating leases as follows:

	2023		[illegible]	
	Land and buildings	**Other**	Land and buildings	Other
	£'000	**£'000**	£'000	£'000
[illegible]				
[illegible]	**10,350**	**781**	[illegible]	[illegible]
[illegible]	**34,358**	**709**	[illegible]	[illegible]
[illegible]	**98,367**	**–**	[illegible]	
	143,075	**1,490**	[illegible]	[illegible]

[illegible]

Under sections [illegible] and [illegible] of the Companies Act [illegible] [illegible] Trading Limited has guaranteed all outstanding liabilities [illegible] taking the exemption [illegible] on pages [illegible] subject [illegible] 30 June 2023 until they are [illegible] in full. These liabilities [illegible]. [illegible] guarantees are [illegible] liability is due.

[illegible] 30 June 2023.

Notes to the financial statements for the year ended 30 June 2023

On 24 October 2023, Fern Trading Development Limited ("FTDL"), a subsidiary of the Group successfully sold Dulacca HoldCo Pty Ltd and its subsidiaries to Octopus Australia Master Trust. A profit of £22m was made on the sale.

In October 2023 the Group raised £21.1m from existing shareholders through an offer to subscribe for further shares.

Under FRS 102 33.1A disclosures need not be given of transactions entered into between two or more members of a Group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

During the year fees of £90,490,000 (2022: £77,934,000) were charged to the Group by Octopus Investments Limited, a related party due to its significant influence over the entity. Octopus Investments Limited was recharged legal and professional fees totalling £75,000 (2022: £10,155) by the Group. At the year end, an amount of £Nil (2022: £5,500) was outstanding which is included in trade creditors.

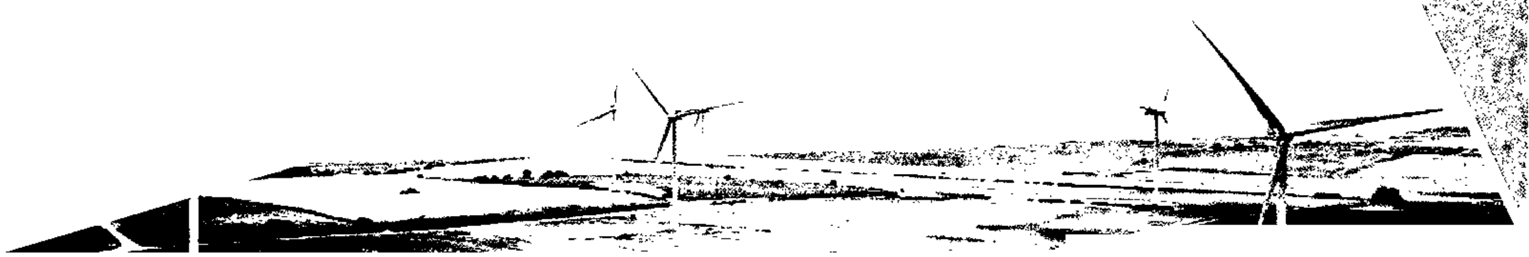
The Group is entitled to a profit share as a result of its investment in Tende LLP, a related party due to key management personnel in common. In 2023 a share of profit equal to £266,000 (2022: £5,249,000) had been recognised by the Group. At the year end, the Group has an interest in the members capital of £13,742,000 (2022: £35,452,000) and accrued income due of £7,812,000 (2022: £5,216,000).

The Group engages in lending activities which include balances provided to related parties. Regarding entities with key management personnel in common, loans of £65,070,000 (2022: £63,490,000), accrued income of £28,836,000 (2022: £19,789,000) and deferred income of £Nil (2022: £Nil) were outstanding at year end. During the year interest income of £9,162,000 (2022: £7,160,000) and fees of £214,000 (2022: £334,000) were recognised in relation to these loans.

As at 30 June 2023 £Nil (2022: £Nil) was owed to the Company by Bracken Trading Limited, a related party by key management personnel in common.

Other than the transactions disclosed above, the Company's other related party transactions were with its wholly owned subsidiary members of the Group.

In the opinion of the directors, there is no ultimate controlling party or parent company.



Notes to the financial statements for the year ended 30 June 2023

a) Derivative adjustment

We have conducted a review of prior years' accounting treatment of other comprehensive income in relation to derivative recognition. We have identified an error relating to all financial years from [illegible] relating to the amortisation of loss associated with a specific cash flow hedge. The loss was the result of a refinancing exercise undertaken in [illegible] and the Group has received professional advice in relation to the accounting treatment. Upon review, it was discovered the amortisation of the loss was already reflected in the updated fair value of the cash flow hedges and the amortisation loss had incorrectly been recognised twice over the life of the cash flow hedge. This also has a consequence on the calculation of hedge ineffectiveness. The cumulative impact was a £[illegible]m reduction in historical interest cost, and an equal and opposite reduction in other comprehensive income. A summary of the impact of the correction is provided below, which includes the associated tax adjustment.

Group	Year ended 30 June 2021 (as stated)	Accumulated adjustments	Year ended 30 June 2021 (restated)
	£'000	£'000	£'000
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]

Group	Year ended 30 June 2022 (as stated)	Accumulated adjustments	Year ended 30 June 2022 (restated)
	£'000	£'000	£'000
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]

Notes to the financial statements for the year ended 30 June 2023

a) Millwood Designed Homes acquisition

On 25 January 2023 the Group acquired MDH (Group) Limited and its subsidiaries through the purchase of 100% of the share capital for consideration of £24,161,000.

The following tables summarise the consideration paid by the Group, the fair value of the assets acquired and the liabilities assumed at the acquisition date.

Consideration	£'000
Cash	21,441
Directly attributable costs	720
Deferred consideration	2,000
Total consideration	**24,161**

Details of the fair value of the net assets acquired and goodwill arising are as follows:

	Book value	Adjustments	Fair value
	£000	**£000**	**£000**
[illegible]	469		469
Intangible assets	431	–	431
Stock	31,651	(797)	30,854
Trade and other receivables	1,363		1,363
Cash and cash equivalents	6,471	–	6,471
Trade and other payables	(5,552)		(5,552)
[illegible]	(18,860)	–	(18,860)
Net assets acquired	**18,393**	**(797)**	**17,596**
Goodwill			6,565
Total consideration		**–**	**24,161**

Goodwill resulting from the business combination was £6,565,000 and has an estimated useful life of 10 years, reflecting the lifespan of the assets acquired.

The consolidated statement of comprehensive income for the year includes £12,604,000 revenue and a loss before tax of £469,000 in respect of this acquisition.

Notes to the financial statements for the year ended 30 June 2023

Our reported results are prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, as detailed in the Financial Statements starting on page 14 of the Annual Report. In measuring our performance, the financial measures that we use include those that have been derived from our reported results in order to eliminate factors that distort year-on-year comparisons. These are considered non-GAAP financial measures.

Net debt

We provide net debt in addition to cash and gross debt as a way of assessing our overall cash position and it is computed as follows:

		2023	2022
	Notes	£'000	£'000
[illegible]	[illegible]	1,033,184	[illegible]
[illegible]	[illegible]	125,000	[illegible]
Gross debt		**1,158,184**	**1,049,582**
[illegible]	[illegible]	(156,919)	(256,415)
Net debt		**1,001,265**	**793,167**

Notes to the financial statements for the year ended 30 June 2023

EBITDA

Earnings before interest, tax, depreciation and amortisation ("EBITDA") is calculated by adjusting profit after tax for interest, tax, depreciation and amortisation, in addition to income and expenses that do not relate to the day to day operations of the Group. We provide EBITDA in addition to profit after tax as it allows us to assess our performance without the effects of financing and capital expenditures.

The following table details the adjustments made to the reported results.

	Note	2023 £'000	(restated) 2022 £'000
Profit/(loss) for the financial year		(1[illegible],559)	38,0[illegible]0
Add:			
Amortisation of intangible assets	[illegible]	43,055	3[illegible],849
Impairment of intangible asset	[illegible]	936	[illegible]
Depreciation of tangible assets	[illegible]	103,754	101,802
Impairment	[illegible]	21,670	
Interest payable and similar expenses	[illegible]	49,265	25,2[illegible]
[illegible]		12,6[illegible]	1,10[illegible]
Tax	[illegible]	(1[illegible],208)	[illegible]868
Less:			
[illegible]		(955)	([illegible]249)
[illegible]		1,045	(2[illegible],532)
Interest receivable and similar income	[illegible]	(713)	([illegible])
EBITDA		**81,963**	[illegible]

Note 26 details the prior period adjustment.

Notes to the financial statements for the year ended 30 June 2023

Details of the subsidiary undertakings are as follows:

Name	Country of incorporation	Class of shares	Holding	Principal activity
[illegible]	[illegible]	Ordinary	100%	IT Security provider
[illegible]	[illegible]	Ordinary	100%	Holding company
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Holding company
[illegible]	[illegible]	Ordinary	100%	Fibre network provision
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Holding company
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Dormant company
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Holding company
[illegible]	[illegible]	Ordinary	100%	Holding company
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Holding company
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Energy generation

Notes to the financial statements for the year ended 30 June 2023

Name	Country of incorporation	Class of shares	Holding	Principal activity
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Holding company
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Holding company
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Holding company
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Holding company
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Dormant company
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Dormant company
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Dormant company
[illegible]	[illegible]	Ordinary	100%	Dormant company
[illegible]	[illegible]	Ordinary	100%	Holding company
[illegible]	[illegible]	Ordinary	100%	Holding company
[illegible]	[illegible]	Ordinary	100%	Holding company
[illegible]	[illegible]	Ordinary	100%	Holding company
[illegible]	[illegible]	Ordinary	100%	Holding company
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Energy generation

Notes to the financial statements for the year ended 30 June 2023

Name	Country of incorporation	Class of shares	Holding	Principal activity
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	[illegible]	Energy generation
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	[illegible]	Energy generation
[illegible]	[illegible]	Ordinary	100%	Development of building projects
[illegible]	[illegible]	Ordinary	100%	Construction of [illegible] buildings
[illegible]	[illegible]	Ordinary	[illegible]	Development of building projects
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	[illegible]	Energy generation
[illegible]	[illegible]	Ordinary	100%	Fibre network production
[illegible]	[illegible]	Ordinary	[illegible]	Energy generation
[illegible]	[illegible]	[illegible]	[illegible]	Energy generation
[illegible]	[illegible]	Ordinary	[illegible]	Energy generation
[illegible]	[illegible]	Ordinary	[illegible]	Energy generation
[illegible]	[illegible]	Ordinary	[illegible]	Energy generation
[illegible]	[illegible]	Ordinary	[illegible]	Energy generation
[illegible]	[illegible]	Ordinary	[illegible]	Energy generation
[illegible]	[illegible]	Ordinary	[illegible]	Energy generation
[illegible]	[illegible]	Ordinary	[illegible]	Holding company
[illegible]	[illegible]	Ordinary	[illegible]	Holding company
[illegible]	[illegible]	Ordinary	[illegible]	Holding company
[illegible]	[illegible]	Ordinary	[illegible]	Energy generation
[illegible]	[illegible]	Ordinary	[illegible]	Holding company
[illegible]	[illegible]	Ordinary	[illegible]	Energy generation
[illegible]	[illegible]	Ordinary	[illegible]	Energy generation
[illegible]	[illegible]	Ordinary	[illegible]	Energy generation
[illegible]	[illegible]	Ordinary	[illegible]	Energy generation
[illegible]	[illegible]	Ordinary	[illegible]	Energy generation

Notes to the financial statements for the year ended 30 June 2023

Name	Country of incorporation	Class of shares	Holding	Principal activity
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Holding company
[illegible]	[illegible]	Ordinary	100%	Holding company
[illegible]	[illegible]	Ordinary	100%	Holding company
[illegible]	[illegible]	Ordinary	100%	Holding company
[illegible]	[illegible]	Ordinary	100%	Holding company
[illegible]	[illegible]	Ordinary	100%	Holding company
[illegible]	[illegible]	Ordinary	100%	Holding company
[illegible]	[illegible]	Ordinary	100%	Construction of domestic buildings
[illegible]	[illegible]	Ordinary Deferred Preference	100%	Financial services including companies
[illegible]	[illegible]	Ordinary	100%	Construction of domestic buildings
[illegible]	[illegible]	Ordinary	100%	Construction of domestic buildings
[illegible]	[illegible]	Ordinary	100%	Construction of domestic buildings
[illegible]	[illegible]	Ordinary	100%	Development of building projects
[illegible]	[illegible]	Ordinary	100%	Construction of domestic buildings
[illegible]	[illegible]	Ordinary	100%	Construction of domestic buildings
[illegible]	[illegible]	Ordinary	100%	Development of building projects
[illegible]	[illegible]	Ordinary	100%	Development of building projects
[illegible]	[illegible]	Ordinary	100%	Construction of domestic buildings Buying and selling of own real estate
[illegible]	[illegible]	Ordinary	100%	Construction of domestic buildings
[illegible]	[illegible]	Ordinary	100%	Construction of domestic buildings Buying and selling of own real estate

Notes to the financial statements for the year ended 30 June 2023

Name	Country of incorporation	Class of shares	Holding	Principal activity
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	[illegible] project development and management services
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Holding company
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Holding company
[illegible]	[illegible]	Ordinary	100%	Holding company
[illegible]	[illegible]	Ordinary	[illegible]	Energy generation
[illegible]	[illegible]	Ordinary	[illegible]	Holding company
[illegible]	[illegible]	Ordinary	[illegible]	Holding company
[illegible]	[illegible]	Ordinary	[illegible]	Holding company
[illegible]	[illegible]	Ordinary	[illegible]	[illegible]
[illegible]	[illegible]	Ordinary	100%	Holding company
[illegible]	[illegible]	Ordinary	[illegible]	Holding company
[illegible]	[illegible]	Ordinary	[illegible]	Holding company
[illegible]	[illegible]	Ordinary	[illegible]	Holding company
[illegible]	[illegible]	Ordinary	[illegible]	Holding company
[illegible]	[illegible]	Ordinary	[illegible]	Holding company
[illegible]	[illegible]	Ordinary	[illegible]	Energy generation
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	[illegible]	Holding company
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	Ordinary	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	Ordinary	[illegible]	[illegible]
[illegible]	[illegible]	Ordinary	[illegible]	Energy generation

Notes to the financial statements for the year ended 30 June 2023

Name	Country of incorporation	Class of shares	Holding	Principal activity
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Dormant company
[illegible]	[illegible]	Ordinary	100%	Fibre network production
[illegible]	[illegible]	Ordinary	100%	Fibre network production
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Holding company
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Holding company
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Holding company
[illegible]	[illegible]	Ordinary	100%	Holding company
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Holding company
[illegible]	[illegible]	Ordinary	100%	Fibre network production
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Fibre network production

Notes to the financial statements for the year ended 30 June 2023

Name	Country of incorporation	Class of shares	Holding	Principal activity
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Fibre network production
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible] Limited	[illegible]	Ordinary	100%	Holding company
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Holding company
[illegible]	[illegible]	Ordinary	100%	Holding company
[illegible] Limited	[illegible]	Ordinary	100%	Asset leasing company
[illegible]	[illegible]	Ordinary	100%	Holding company
[illegible]	[illegible]	Ordinary	100%	Holding company
[illegible]	[illegible]	Ordinary	100%	Holding company
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Construction of domestic buildings
[illegible]	[illegible]	Ordinary	100%	Construction of domestic buildings
[illegible]	[illegible]	Ordinary	[illegible]	Construction of domestic buildings
[illegible]	[illegible]	Ordinary	100%	Construction of domestic buildings
[illegible]	[illegible]	Ordinary	[illegible]	Holding company
[illegible]	[illegible]	Ordinary	[illegible]	Energy generation
[illegible]	[illegible]	Ordinary	[illegible]	Energy generation
[illegible]	[illegible]	Ordinary	[illegible]	Energy generation
[illegible]	[illegible]	Ordinary	[illegible]	Energy generation
[illegible]	[illegible]	Ordinary	[illegible]	Energy generation
[illegible]	[illegible]	Ordinary	[illegible]	Energy generation
[illegible]	[illegible]	Ordinary	[illegible]	Energy generation
[illegible]	[illegible]	Ordinary	[illegible]	Energy generation

Notes to the financial statements for the year ended 30 June 2023

Name	Country of incorporation	Class of shares	Holding	Principal activity
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Holding company
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Holding company
[illegible]	[illegible]	Ordinary	100%	Provision of healthcare services
[illegible]	[illegible]	Ordinary	100%	Provision of healthcare services
[illegible]	[illegible]	Ordinary	100%	Holding company
[illegible]	[illegible]	Ordinary	100%	Holding company
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Holding company
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Fibre network production
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Holding company
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Care services for a retirement village
[illegible]	[illegible]	Ordinary	100%	Retirement village development
[illegible]	[illegible]	Ordinary	100%	Retirement village development
[illegible]	[illegible]	Ordinary	100%	Care services for a retirement village
[illegible]	[illegible]	Ordinary	100%	Retirement village development
[illegible]	[illegible]	Ordinary	100%	Holding company
[illegible]	[illegible]	Ordinary	100%	Retirement village development
[illegible]	[illegible]	Ordinary	100%	Retirement village development

Notes to the financial statements for the year ended 30 June 2023

Name	Country of incorporation	Class of shares	Holding	Principal activity
[illegible]	[illegible]	Ordinary	100%	Holding company
[illegible]	[illegible]	Ordinary	100%	Retirement village development
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Construction of domestic buildings
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Fibre network production
[illegible]	[illegible]	Ordinary	100%	Holding company
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Supply of biomass fuel
[illegible]	[illegible]	Ordinary	100%	Holding company
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	[illegible]	Energy generation
[illegible]	[illegible]	Ordinary	[illegible]	Energy generation
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	[illegible]	Energy generation
[illegible]	[illegible]	Ordinary	[illegible]	Energy generation
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	[illegible]	Energy generation
[illegible]	[illegible]	Ordinary	[illegible]	Energy generation
[illegible]	[illegible]	Ordinary	[illegible]	Energy generation
[illegible]	[illegible]	Ordinary	[illegible]	Energy generation
[illegible]	[illegible]	Ordinary	[illegible]	Energy generation
[illegible]	[illegible]	Ordinary	[illegible]	Energy generation
[illegible]	[illegible]	Ordinary	[illegible]	[illegible]
[illegible]	[illegible]	Ordinary	[illegible]	[illegible]

Notes to the financial statements for the year ended 30 June 2023

Name	Country of incorporation	Class of shares	Holding	Principal activity
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	NA	50%	Dormant LLP
[illegible]	[illegible]	NA	50%	Dormant LLP
[illegible]	[illegible]	Ordinary	100%	Fibre network production
[illegible]	[illegible]	Ordinary	100%	Holding company
[illegible]	[illegible]	Ordinary	100%	Fibre network production
[illegible]	[illegible]	Ordinary	100%	Fibre network production
[illegible]	[illegible]	Ordinary	100%	Fibre network production
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Holding company
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Fibre network production
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Holding company
[illegible]	[illegible]	Ordinary	90%	Fibre network production
[illegible]	[illegible]	Ordinary	100%	Fibre network production
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Energy generation

Notes to the financial statements for the year ended 30 June 2023

Name	Country of incorporation	Class of shares	Holding	Principal activity
[illegible]	[illegible]	Ordinary	[illegible]	Holding company
[illegible]	[illegible]	Ordinary	100%	Fibre network production
[illegible]	[illegible]	Ordinary	100%	[illegible] operator
[illegible]	[illegible]	Ordinary	[illegible]	[illegible] administrator
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Holding company
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	[illegible]	Energy generation
[illegible]	[illegible]	Ordinary	[illegible]	Holding company
[illegible]	[illegible]	Ordinary	[illegible]	Energy generation
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	[illegible]	Energy generation
[illegible]	[illegible]	Ordinary	[illegible]	Holding company
[illegible]	[illegible]	Ordinary	[illegible]	Energy generation
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Energy generation
[illegible]	[illegible]	Ordinary	100%	Energy generation

Incorporated/Acquired after year end	Date
[illegible]	[illegible]
[illegible]	[illegible]

[illegible]

Notes to the financial statements for the year ended 30 June 2023

Dissolved or sold during the year and up until signing	Date
DY [illegible] Energy Recovery Limited	13/09/2022
[illegible] 21 Ltd	15/09/2022
Darlington Point Holdco Pty Limited	08/07/2022
Darlington Point Solar Farm Pty Limited	08/07/2022
Darlington Point Subholdco Pty Limited	08/07/2022
Dulacca Wind Holdco PTY Ltd	24/10/2023
Dulacca Energy Project Holding Co Pty Ltd	24/10/2023
Dulacca Energy Project Co PTY Ltd	24/10/2023
Dulacca Energy Project Fin Co PTY Ltd	24/10/2023

The registered office of all companies listed above is at 6th Floor, 33 Holborn, London, England, EC1N 2HT except for those set out below:

1. ul. Grzybowska 2/29, 00-131, Warsaw, Poland
2. Pinsent Masons LLP, Capital Square, 58 Morrison Street, Edinburgh, Scotland, EH3 8BP
3. 1 West Regent Street, Glasgow, G2 1AP
4. 22 rue Alphonse de Neuville, 75017 Paris, France
5. 6th Floor, 2 Grand Canal Square, Dublin 2, D02 A342, Ireland
6. The Carriage House, Station Works, Station Road, Claverdon, Warwickshire, United Kingdom, CV35 8PE
7. Zone Industrielle de Courtine 115 Rue Du Mourelet 84000 Avignon, France
8. 13 Salisbury Place, London, England, W1H 1FJ
9. The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington 19801, United States
10. 4th Floor, Saltire Court, 20 Castle Terrace, Edinburgh, Scotland, EH1 2EN
11. Apollo House, Mercury Park, Wycombe Lane, Wooburn Green, High Wycombe, England, HP10 0HH
12. Level 33, 101 Collins Street, Melbourne, Victoria, 3000, Australia
13. Beaufort Court, Egg Farm Lane, Kings Langley, Hertfordshire, WD4 8LR
14. 7-8 Stratford Place, London, England, W1C 1AY
15. Broadwalk House, 5 Appold Street, London, United Kingdom, EC2A 2AG

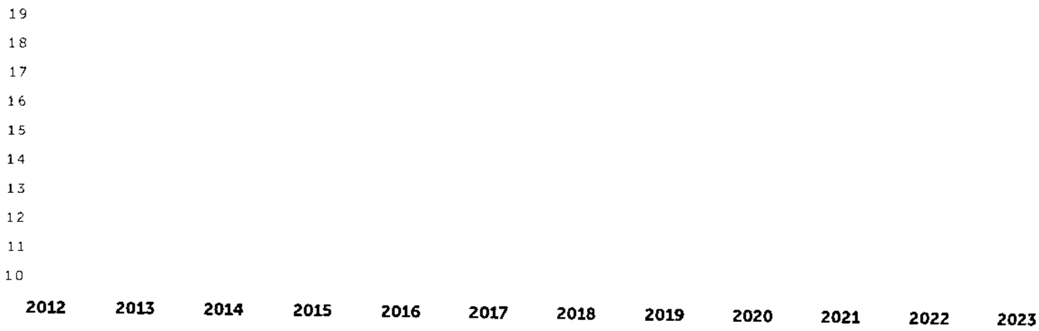
The directors believe that the carrying value of the investments is supported by their underlying net asset

5 APPENDIX – SHARE PRICE PERFORMANCE (UNAUDITED)

Fern's share price has performed in line with targets

Fern Trading Limited is an unlisted company. Every month, our Board of Directors agrees a price at which it will be willing to issue new shares. The share price is unaudited.

Share price growth since inception: Fern Trading Limited



Performance is calculated based on the sale price for Fern's shares at [illegible] June each year. The share price is not subject to audit by Ernst & Young LLP.

Financial Year	Discrete share price performance
June 2022-23	3.10%
June 2021-22	9.91%
June 2020-21	4.87%
June 2019-20	0.33%
June 2018-19	6.23%
June 2017-18	1.05%
June 2016-17	5.54%
June 2015-16	3.83%
June 2014-15	3.98%
June 2013-14	3.72%
June 2012-13	3.97%
June 2011-12	1.02%

Directors and advisers

PS Latham
KJ Wiles
HG Barlow
T Arthur

SM Grant (appointed 1 January 2025)

Octopus Company Secretarial Services Limited

12691636

6th Floor, 33 Holborn,
London, England EC1N 2HT

Ernst & Young LLP
Bedford House,
16 Bedford Street
Belfast BT2 7DT

Forward-looking statements

This Annual Report contains certain forward-looking statements related to the Company's future business and financial performance and future events or developments. These statements are based on the current knowledge and expectations of management and are subject to assumptions, risks and uncertainties, some of which are related to factors that are beyond the control of the Company. Accordingly, no assurance can be given that any particular expectation will be met and forward-looking statements regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. Past performance cannot be relied on as a guide to future performance. Nothing in this Annual Report should be construed as a profit forecast.