



FERN
TRADING

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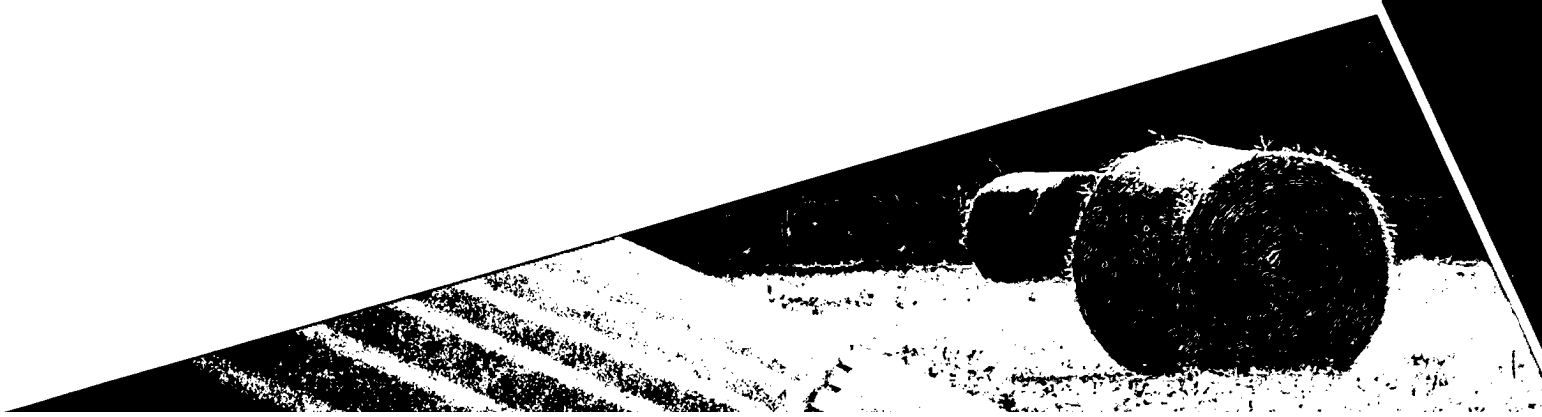
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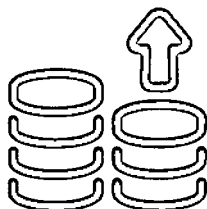
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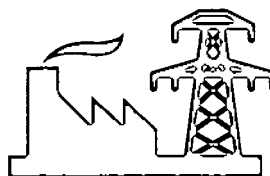
1 | OVERVIEW

Group snapshot



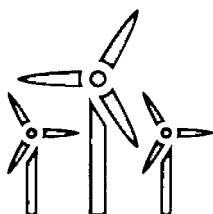
Revenue

Revenue has increased by over 8% in the last 3 years from **£393m** in 2019 to **£425m** in 2021



Carbon offsets

Our renewable energy sites' carbon saving is **790,921** carbon tonnes this year



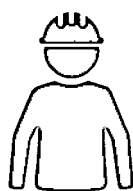
Energy generation

Our renewable energy assets produce enough energy to power **779,925** UK homes



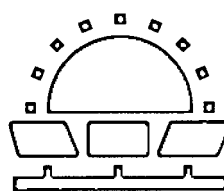
Number of loans

We provide financing to **189** borrowers in the UK



Number of employees

We employ a total of **1,050** people



Number of sites

We own **217** renewable energy sites spread predominantly across the UK



2 | STRATEGIC REPORT

Chief Executive's review

Our business is designed to retain value in unexpected situations and more difficult trading environments. As such, we have been pleased but not surprised that the value of the Group has remained solid throughout the lockdown response to Covid-19. Our core business has continued to perform solidly, and we have been able to pursue some new opportunities in order to successfully position our Group for future growth.

The two prongs of our strategy have enabled us to target consistent growth for shareholders despite challenging and changing environments. The first is to operate across multiple sectors and so to have a diversified Group. The second is to select essential sectors that we expect to perform steadily through all market cycles.

Our share price delivered 4.87% growth over the past twelve months, ahead of our target of 4.2% growth per annum. The strong share price growth reflects solid operational performance across all sectors, supported by an increase in long-term energy price forecasts and growth in new sectors.

Our business has moved into its second decade, and as a large and established Group comprising of almost 300 companies, we have now been able to expand from our stable base to build for the future. We have a diversified and mature business, with Group companies that have undertaken a range of activities for many years generating steady long term growth for our shareholders. From this secure base, this year was able to be one of expansion, with the business making sensible inroads into new adjacent sectors designed to set the scene for future growth in line with our existing strategy.

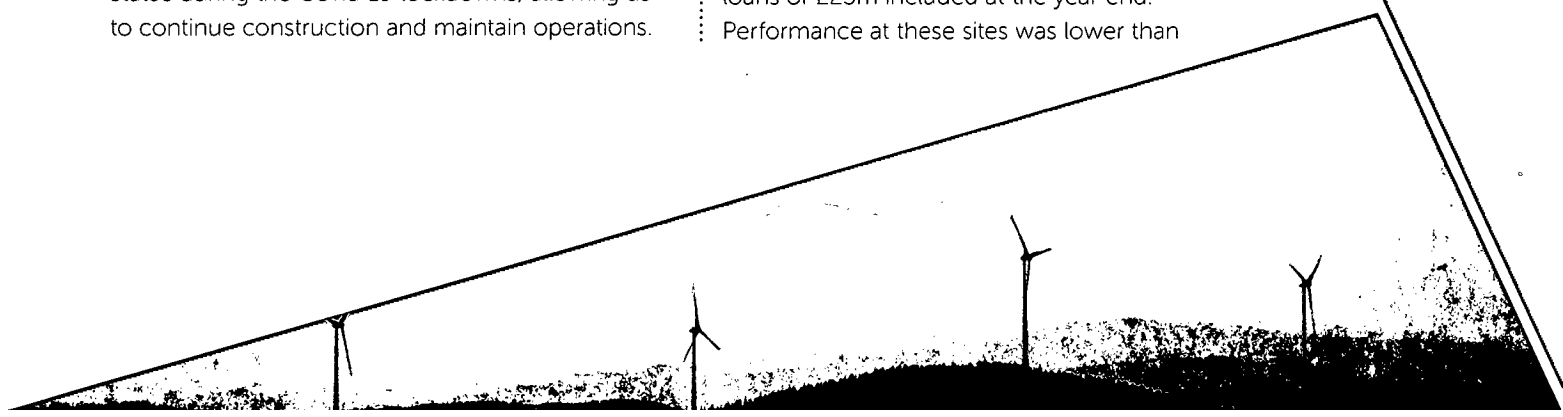
We also remain a supportive employer, with more than 1,050 full-time staff across the businesses that we own and operate, and indirect employment provided for hundreds more people via contracts that we have in place. Many of our own staff and the contractors we work with were given key worker status during the Covid-19 lockdowns, allowing us to continue construction and maintain operations.

A reflection on our year

Our business achieved consistent revenues while growing capital deployment during the year, resulting in £425m of revenue across the Group (2020: £390m (restated)) and net assets of £1,874m (2020: £1,679m (restated)). We are pleased to report that in October 2020, the Group completed a successful rights issue raising £145m from existing shareholders. These shares were issued to enable the Group to secure additional opportunities to grow our business in line with our strategic objectives, in particular the fibre broadband sector.

Almost 70% of our business now comprises renewable energy generating assets such as solar energy sites and wind farms, which provide long-term revenue streams. We intentionally own energy generating assets across a range of technologies to provide diversification and assist with creating a stable share price, however, their values can still be impacted by changes in pricing and demand. We saw an increase in long term energy price forecasts lead by increased carbon and gas prices and rising energy demand with the post pandemic economic recovery, contributing to a 10% increase from energy revenues during the year. Our holdings in these sectors have been bolstered this year with the acquisition of sites in several complementary jurisdictions, adding to our wind portfolio in France, as well as using our expertise to enter the Polish wind market, with the acquisition of a wind farm under construction. Our successful and well-established biomass division has been delivering very stable returns since its acquisition in 2015. We took the opportunity to boost this business by acquiring a 45MW operational biomass site at Snetterton in East Anglia on 27 of April.

We also chose to acquire sixteen reserve power sites, seven during the year and nine directly after year end that our Group had previously been a lender to. The nine purchased after year end resulted in the crystallisation of a provision on the loans of £25m included at the year end. Performance at these sites was lower than



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Chief Executive's review

anticipated as there had been a number of changes to the regulatory landscape, which removed many of the subsidy based revenue streams which existed at the time making the loans. As a result, (i) the revenue projections for these sites decreased materially (and became more volatile); and (ii) the market adjusted its pricing of these assets to reflect the additional perceived risks (through higher discount rates). We are optimistic about the complementary role they play alongside our renewable energy sites.

It is a feature of the renewable business that even though some sites may be operating at full capability, they can report an accounting loss despite being cash generative as finance costs and accounting charges, such as depreciation, exceed revenues. Our results for the current year include several sites that are under construction and will not be fully operational until future financial years.

Our property lending business continued to perform well, although due to the Covid-19 pandemic and opportunities in other sectors we have written fewer property loans during the year, resulting in a reduction of £273m in the loan book. At the end of the year, 189 loans were in issue (2020: 195) and activity in the sector remains robust in the current economic climate.

Our Healthcare business saw a £14m increase in revenues. Our private medical business, One Healthcare Partners Limited ("One Healthcare") continued to support the national effort against the Covid-19 pandemic, providing capacity in our hospitals to be used for NHS treatments. Our retirement villages business, Rangeford Holdings Limited ("Rangeford") continued to sell apartments at three sites, with a new site in Chertsey acquired during the year, which is now under construction. Sales at the Chertsey site are expected to commence in 2024.

Fibre broadband remains our newest sector and following the Group's first entry into the market in 2019 our operations have now become more established. Our fibre activities focus on the delivery of ultrafast "fibre to the premises" broadband networks to properties in regions of the UK overlooked by larger operators. During Covid-19 lockdowns our fibre businesses had key worker status and were able to accelerate planned fibre optic network roll-out due to reduced usage of the road network. The pandemic has increased the demand for higher broadband speeds for residential properties with more working-from-home and increased usage of video-on-demand services. We have developed our presence in this sector and now have three group companies – Jurassic Fibre, Swish Fibre and Giganet (acquired in April 2021), building residential fibre networks in separate regions of the UK. During the year, we also entered the enterprise connectivity market in London with the acquisition of Vorboss in November 2020.

The financial statements for the year show a loss before tax of £21.2m against our expected outcome of a small accounting profit. This was the result of the crystallisation of reserve power loan provisions of £25m as well as a change in connection strategy in the fibre sector.

Response to Covid-19

The main area of the Group which has experienced a marked change since the pandemic began is the Group's property lending business, which makes up around 13% of the Group. At the start of the lockdown period, we intentionally repositioned our lending criteria to make our loan-to-value criteria even more conservative, and as a result intentionally reduced the number of new loans issued.



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Chief Executive's review

However, as our existing lending business was well positioned across around 200 loans and secured against property with an average loan to value of around 63% and the overall performance of this area of the Group remained robust. Our lending business is now operating as normal again, and we would expect the loan book to grow as new loan issuances catch back up to levels seen prior to the lockdown period.

Responsible business practices

Our business strategy is designed to target steady long-term growth for our shareholders both through owning and operating businesses that are underpinned by valuable assets and through operating a high-quality and large-scale secured lending business. We are well positioned to look for openings in sectors where we have a track record of delivering profitability and growth over the long term, as well seeking further opportunities in new sectors where our expertise could be transferred.

During the past ten years, we have established ourselves as one of the largest owners and operators of renewable assets in the UK. We are one of the UK's largest producers of solar energy from commercial-scale sites, and we have built on this expertise to grow our business into other renewable technologies such as onshore wind energy, biomass and landfill gas. We produce more than 2.4% of the UK's solar energy and 1.2% of the UK's onshore wind energy output – a significant contribution to the UK's green energy targets. We have also built an impressive short- and medium-term lending business with a loan book of over £386m that facilitates the construction and improvement of homes, renewable energy assets and healthcare infrastructure throughout the UK.

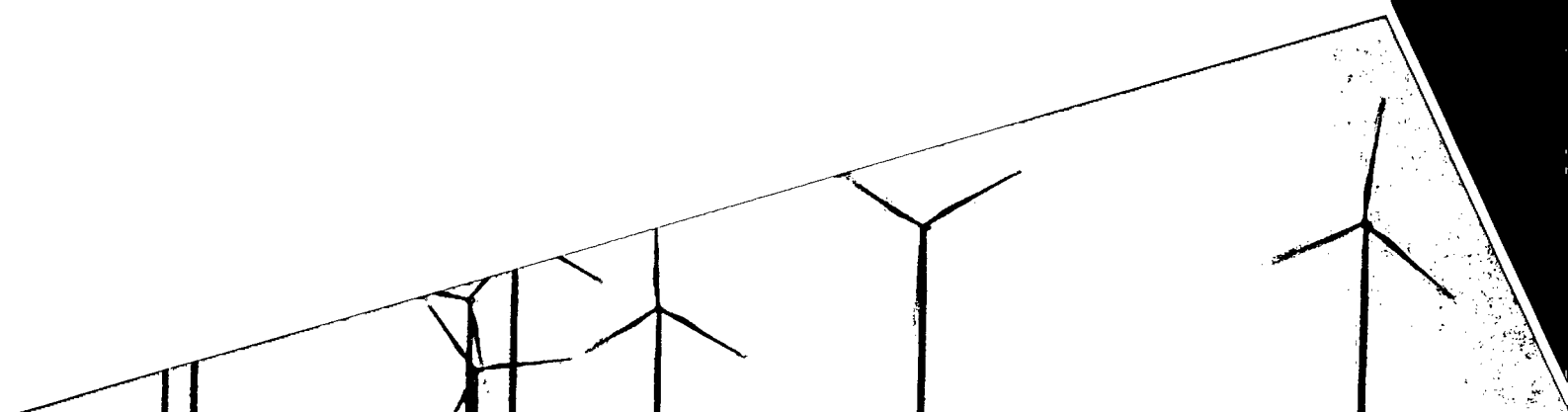
The Group has also diversified its energy operations outside the UK, using our industry expertise in other worldwide markets. This has enabled us to acquire sites ready for the development of wind and solar farms in Poland, Ireland, Finland, France and Australia.

Current trading and outlook

Since the year end, the Group has continued to perform steadily and in line with our expectations. Given the uncertainty the Covid-19 pandemic continues to bring, we remain confident that the Group will be able to continue operating as usual given the key worker status of our energy, healthcare and fibre divisions.

Our property lending business continues to perform strongly, with increased deployment in this sector since the year end. With our strong track record in this area, along with our disciplined approach to due diligence and loan-to-value ratios, particularly important through this continued period of economic uncertainty, we believe that our business is well positioned to grow.

Recent trading in our energy operations division has exceeded our expectations as a result of high global energy price, although we remain cautious over the levels of demand due to the ongoing Covid-19 pandemic. Following the year end, the Group has made several acquisitions in the energy division, including; a construction ready wind farm in Queensland, Australia, due to become operational in late 2023; a construction-ready biomass site near Glasgow, due to become operational in 2024; as well as a number of reserve power plants.



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Chief Executive's review

Following the expansion of our fibre division, our management teams are focussing on growing their networks into underserved but still commercially viable areas of the UK. We continue to review opportunities for inorganic growth too, either through our existing fibre companies, or via acquisitions of new platforms in other regions of the country.

Performance in our healthcare division has remained stable, and we continue to remain positive about the opportunities to improve performance in this sector.

The share price remained robust throughout the period. Post year end we have seen an increase of

8.0p per share to 169.0p, mainly as a result of the well-publicised increase in wholesale energy prices. The Group, as an owner and operator of energy producing assets, has seen an incremental increase in value from the increase in future price forecasts.

Our mix of business areas has developed over time and may evolve further over the years ahead, driven by the overarching importance we place on meeting the objectives of our shareholders. This should not be read as any indication of a wholesale change in the sectors in which we operate, but as a reflection of the role played by the strategic mandate in protecting shareholders' interests.

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



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Our business at a glance

What we do

Fern Trading Limited ("Fern") (formerly Fern Trading Group Limited) is the parent company of almost 300 subsidiaries (together the "Group"). Our Group operates across four key areas: energy, healthcare, fibre broadband and lending. Over the past eleven years we have built a carefully diversified group of operating business well positioned to deliver long-term value and predictable growth for our shareholders.

1. Owning and operating energy sites

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

2. Short- and medium-term lending

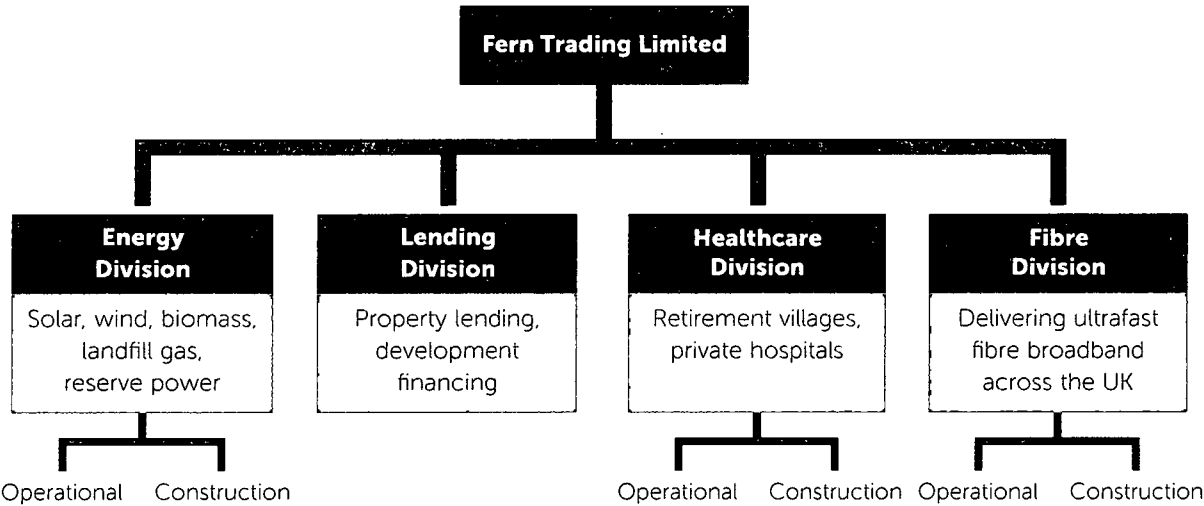
We lend on a secured basis to a large number of property professionals and also provide financing to enable other business to build assets, including care homes, energy sites, and other residential and commercial properties.

3. Owning and operating healthcare infrastructure

We own a number of retirement villages and private hospitals, which provide high-quality healthcare across four operational sites in the UK.

4. Owning and operating fibre broadband suppliers

We are building out fibre broadband networks in certain areas of the UK to provide ultrafast fibre broadband direct to homes and businesses. Our management teams are working hard to complete this build phase and are contributing revenue to the Group as customers join the networks.



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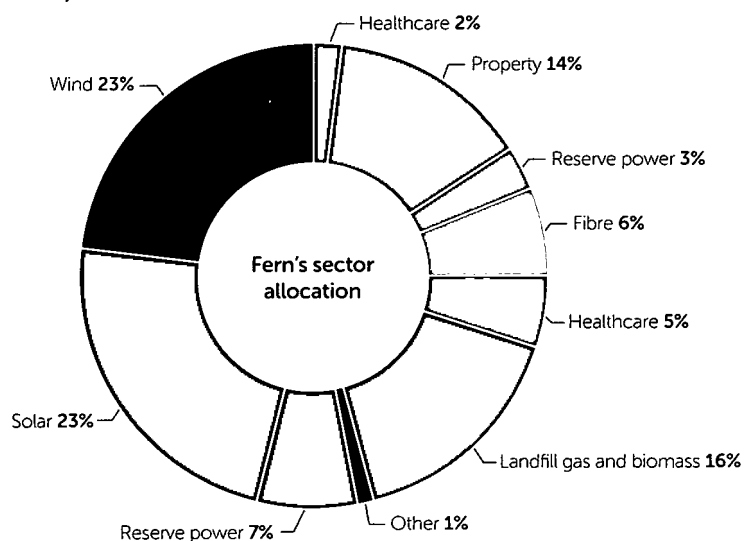
Our business at a glance

The strength of our Group's strategy is in both its operational diversity and the return profile of these businesses. Our lending business provides flexibility and strong returns over the short term, while our energy, healthcare and fibre 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.

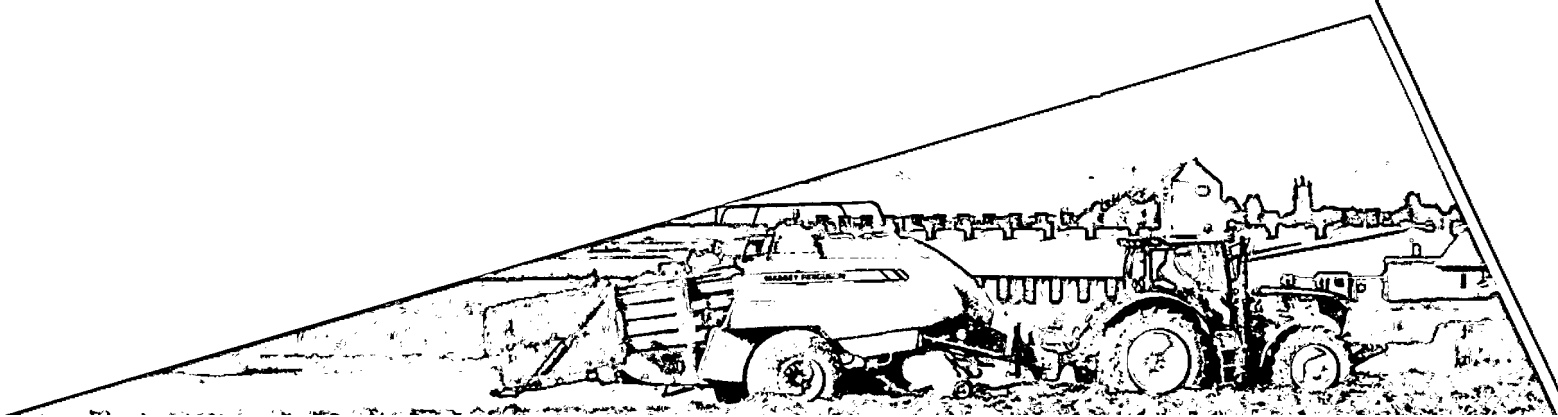
This enables us to continue to diversify our business without compromising on the quality of our operations. Over the past three years, we have successfully entered the fibre broadband sector, acquiring four companies with exciting plans delivering ultrafast broadband across the UK.

Sector split*



<input checked="" type="checkbox"/> Owning and operating assets	81%
<input checked="" type="checkbox"/> Lending	19%

*Sector split is given by value, as represented on the company balance sheet of Fern Trading Limited (formerly Fern Trading Group Limited).




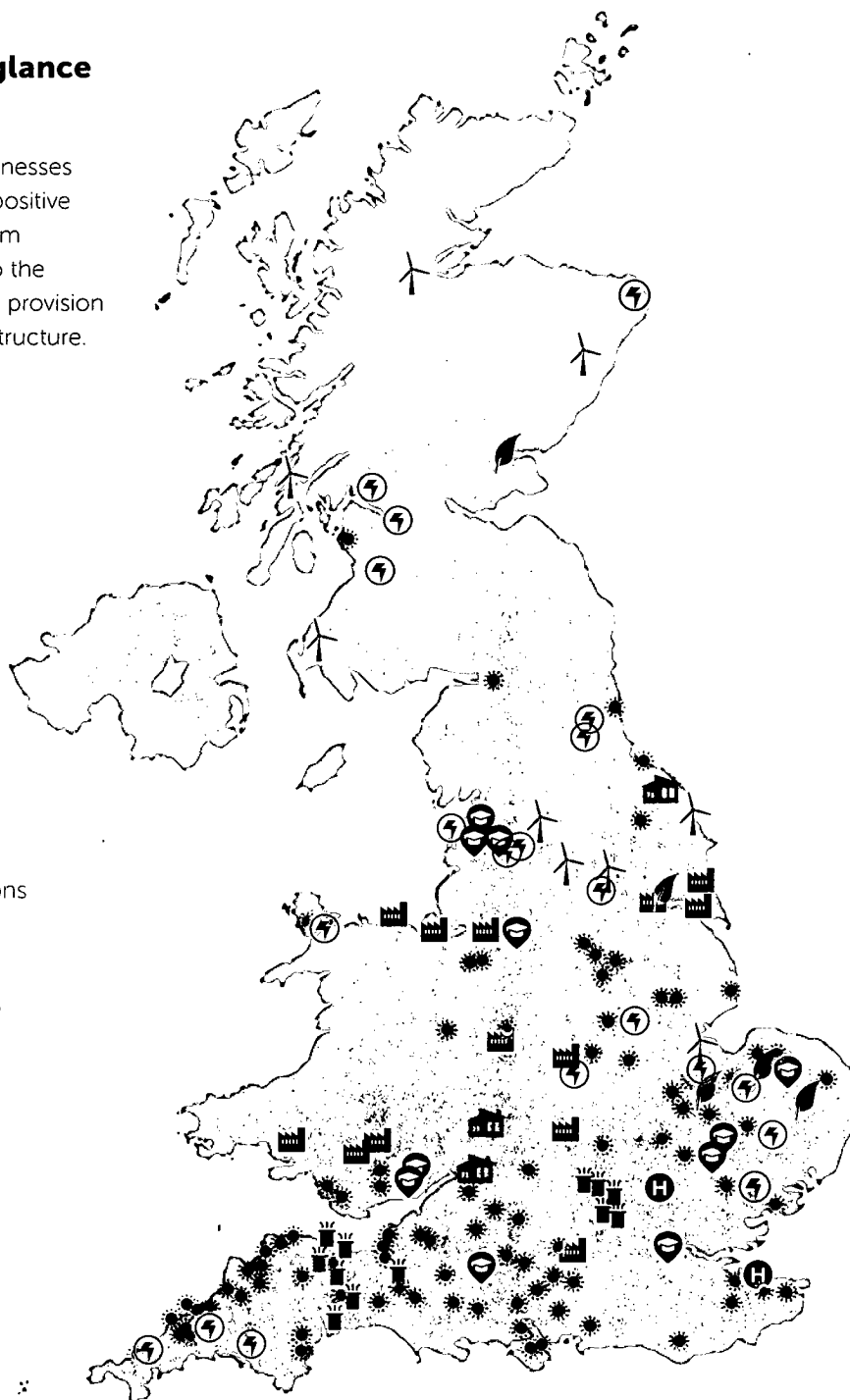
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Our business at a glance

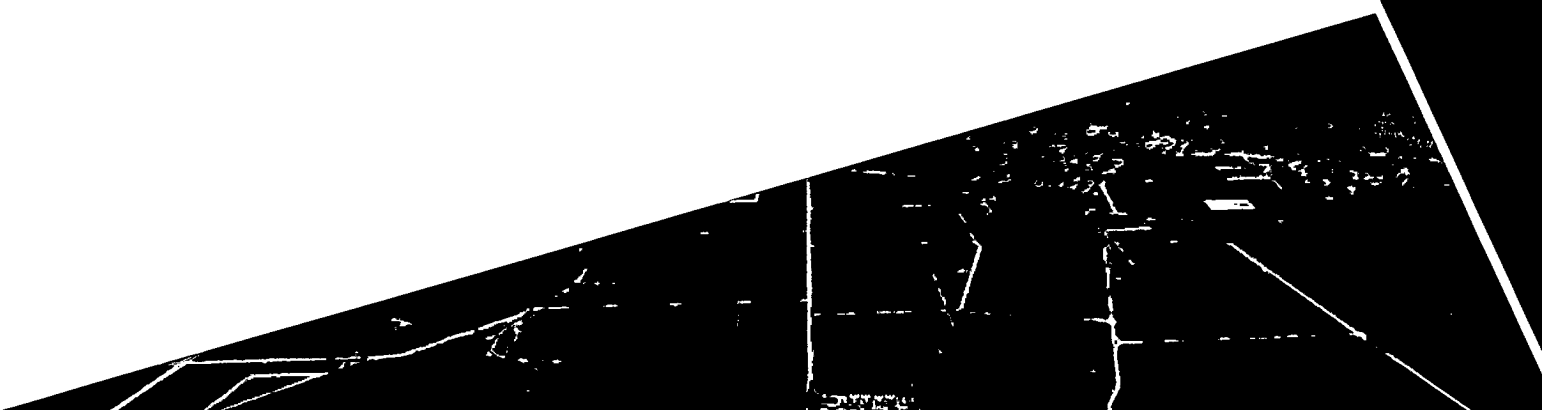
Where we operate

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 healthcare infrastructure.

-  Solar sites
-  Landfill gas facilities
-  Biomass power stations
-  Wind farms
-  Reserve power plants
-  Retirement villages
-  Hospitals
-  Schools
-  Fibre networks



As we've grown our expertise in these sectors in the UK, we've been able to use our industry knowledge to take our expertise to exciting opportunities overseas, including constructing solar and wind farms in Australia, France, Ireland, Poland and Finland.



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Our business at a glance

Making a difference

We are proud to operate a Group which is diversified across sectors that make a positive contribution to society across the UK, generating renewable energy, providing quality healthcare infrastructure and retirement living, and delivering high-speed broadband to underserved areas of the country.

Energy

We currently operate 217 energy sites, producing 2.7GW a year. That's enough energy to power over 779,925 homes.

Our combination of technologies: 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. So far the Fern Community Fund has awarded £1,430,000 to local community groups, supported 15 local university students through our Student Scholarship Fund, and provided a winter fuel subsidy to 663 residents.

Healthcare

Our retirement villages provide high-quality, contemporary living space, with 370 accommodation units currently in place, and schemes in various stages of development offering a further 378 accommodation units.

A friendly community is at the heart of our retirement villages, which is why we provide central facilities and a hub of social activity for our residents.

Fibre

Through our fibre division we are building out the fibre optic broadband network across the UK. Three of our management teams are focussed on building out fibre optic broadband networks across the UK for residential customers and small businesses, and a fourth is building a fibre network to deliver enterprise connectivity.

Within our fibre business line we have plans to create a network providing connectivity to over 1 million properties in the next 3-4 years, many of which are in small towns and villages desperate for internet connectivity fit for the modern world.

Not only are our fibre companies bringing connectivity to underserved communities, they are also generating employment opportunities for young individuals via training academies and apprenticeship schemes, and are driving diversity in Telecoms, with one of our companies having launched a number of initiatives to recruit women into the sector.

Lending

The loans we made during the year have helped to fund the construction of student accommodation, and much needed residential properties.

We continue to extend loans to over 25 taxi drivers and fleets to enable them to use electric vehicles, reducing carbon emissions in our capital.



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Our strategy in focus

Our businesses

Energy division

Through our Energy division, the Group owns and operates energy sites which supply electricity into the network, as well as constructing renewable energy sites for future sale. Of the 217 energy sites that we own and operate, 196 provide renewable energy, contributing to the Group's position as one of the largest producers of renewable energy from commercial scale solar sites in the UK. Energy sites are typically expected to generate stable profits for many years, 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 and sell energy produced either directly to large industrial consumers or to large networks. Many of our renewable energy sites also qualify for government incentives, which results in a portion of the generated energy benefiting from rates that are 'locked in' for a specified period once a qualifying site is operational and accreditation has been granted. This has reduced some of the impact of the volatility in long-term energy price forecasts. The long-term predictability of the income offered by government incentives continues to make renewable energy an attractive sector. As new sites built in the UK do not qualify for historic government incentives, 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 almost 70% of the Group's asset base. This part of our Group typically generates lower returns than some other sectors 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 returns for shareholders.

"Our renewable energy sites generated over 2,762 GWh of power."

Due to the high-quality energy sites 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 life in the solar energy sector, the Group has built expertise across other adjacent technologies including wind energy, 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 weaker 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 over 217 sites, vastly reducing the risk to Group profitability if one site suffers an operational disruption.

Did you know?
If laid end to end, our solar panels would stretch from London to Mexico City.



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Our strategy in focus

Having gained expertise in the UK energy sector over the past seven years, the Group has expanded its UK Energy division by entering into carefully selected overseas jurisdictions which present attractive complementary opportunities, utilising our sector expertise in countries at an earlier stage of renewable energy development than the UK, offering potential for attractive returns. Through our overseas development we are currently constructing wind farms in Australia, Poland, Finland, Ireland and France as well as a large solar farm in Australia.

During the year to June 2021, we successfully sold a solar site and acquired seven reserve power plants, one UK operational biomass site and a French wind site under construction.

Throughout the Covid-19 pandemic we have been able to continue both operating sites and construction work on the sites under development, resulting in minimal impact from Covid-19 on our ability to generate electricity and meet our construction timetable.

Healthcare division

Through our Healthcare division, the Group operates in the private medical and retirement living sectors. Our retirement living business, Rangeford Holdings Limited ("Rangeford"), owns and operates two retirement villages in Wiltshire and North Yorkshire and is currently developing two further sites for future operation.

Our private medical business, One Healthcare Partners Limited ("One Healthcare") owns and operates two private hospitals in Kent and Hertfordshire, providing the very best level of care in modern, well equipped hospital facilities.

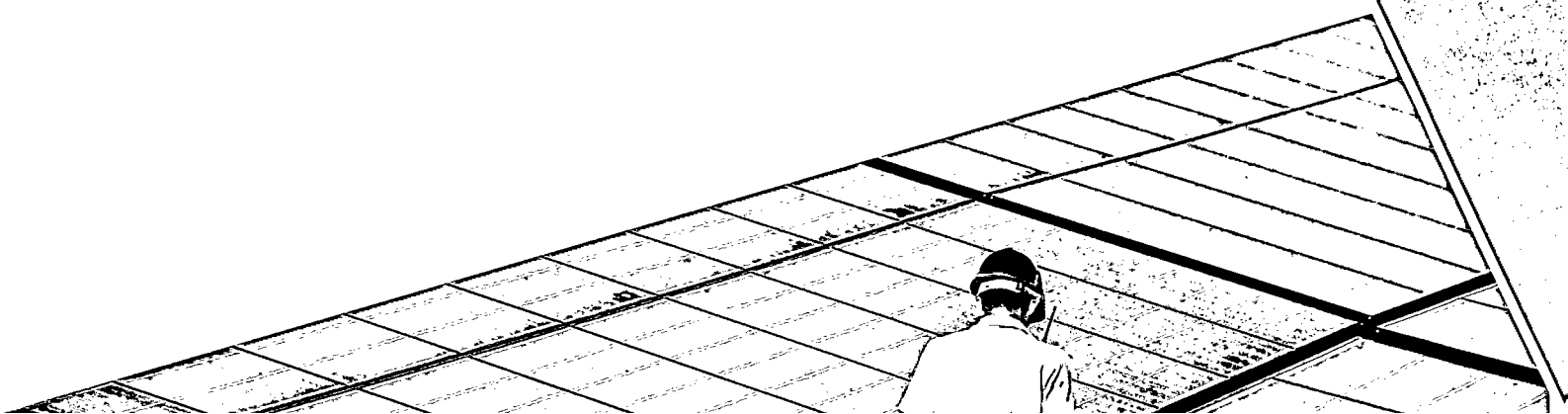
Throughout the Covid-19 pandemic, our private hospitals provided support to the NHS by taking on non-Covid-19 NHS patients for treatment that otherwise could not have been carried out by the NHS. We were able to do this through existing capacity in the hospitals and therefore this has had a positive financial impact to the Group.

Fibre division

Our Fibre division includes four operational companies building fibre networks in the UK and one software development company. During the year we acquired two new fibre businesses (Vorboss Limited ("Vorboss") and Giganet Limited ("Giganet")), which sit alongside our existing businesses acquired in 2019 (Jurassic Fibre Limited "Jurassic" and Swish Fibre Limited "Swish"). A software development company, VitriFi Limited ("VitriFi"), was incorporated in February 2021 and is building a consistent software operating platform for the Group's fibre division.

Through Jurassic, Swish and Giganet, we are building new physical fibre networks for communities in the UK and have been rolling out fibre infrastructure in underserved parts of Devon, Somerset, Dorset, Wiltshire, Hampshire and the Home Counties. We are aiming to pass over 1 million homes over the next three to four years.

This involves connecting large datacentres and telephone exchanges in the UK with homes and businesses, effectively replacing the copper wires that were built in the first half of the 20th century by BT and the Post Office. It is a whole new telecommunications utility fit for the modern digital world. These businesses are vertically integrated, as they both own the fibre infrastructure and also have the end customer relationship as the internet service provider or "ISP".



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Our strategy in focus

Through Vorboss, we are building a wholesale network in London capable of supplying B2B enterprise connectivity, which will be sold to resellers who will hold the end relationship with the business customers.

The Fibre division currently represents a small part of our Group, however the acquisitions we have made have been done as a platform for growth and as the Group continues to grow, we expect this division to become a larger part of our business over time. The companies will require approximately £1bn of capital over the next four years to fulfil their build plans.

Our teams continued to build out their fibre network throughout the Covid-19 pandemic, benefiting from key worker status. We expect that demand for ultrafast fibre broadband will continue to rise with more people working from home for the foreseeable future and therefore we are positive about the contributions we can make in this area.

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 ten years. This well-established part of our Group can be split into two main areas: property lending, which provides short-term financing to experienced, professional property developers, buy-to-let landlords seeking bridging finance; and development financing,

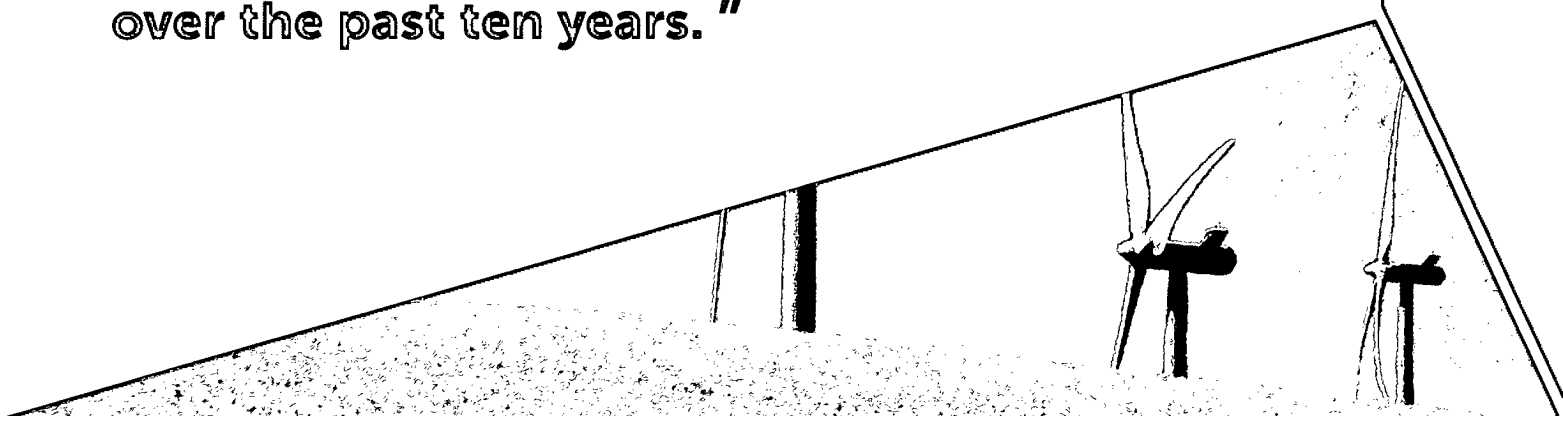
which provides short- and medium-term financing to companies to cover part of the costs of developing high-value business assets including healthcare facilities and energy generation sites.

The lending business has remained resilient against the impact of Covid-19. During the initial lockdown, we saw reduced loan activity, however, since August 2020 we have seen a return to normal payment terms and activity levels. We continue to manage risk across our lending business through undertaking careful borrower due diligence, taking security over assets, typically on a first charge basis and maintaining conservative loan-to-value ratios.

A key benefit of the scale of our Group and of the business that we have built up in this sector is our ability to mitigate risk through having a very large number of short and medium term loans spread across small projects to individual borrowers.

Not all loans will perform as expected and our business is designed to mitigate the impact of this due to the size of each loan we make relative to the size of our lending business. Our loan book is currently spread across around 200 loans with an average loan of £2.3m. As we take high-quality security when we make a loan this enables us to take action to recover value for our shareholders when necessary, including the option for us to step in and manage non-performing businesses where we deem this to be the best course of action.

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



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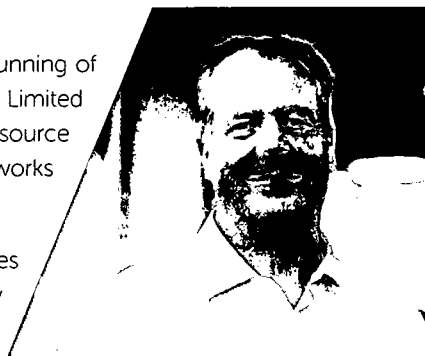
Directors

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 Latham Chief Executive

Paul is Chief Executive of Fern and is responsible for the day-to-day running of the business. He is also a managing director of Octopus Investments Limited ("OI"), where he has worked since 2005. OI is a key supplier of resource and expertise to Fern. Paul's dual role ensures that this relationship works effectively and in the best interests of Fern's shareholders.

Paul has had various general management and internal consulting roles across a number of sectors and brings with him a wealth of industry and business experience.



Keith Willey

Non-Executive Chairman

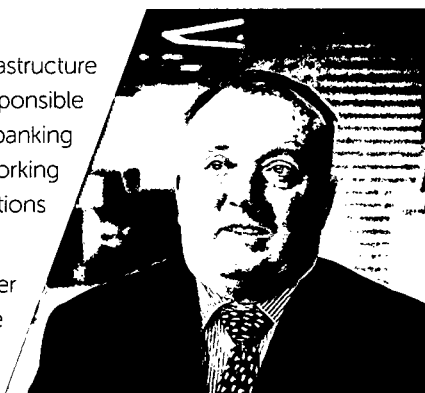
Keith is an associate professor of strategy and entrepreneurship at London Business School. He also holds various non-executive directorships and advisory roles at high growth and more mature companies. In his role as non-executive chairman he is responsible for the effective operation of the Board, 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 hands-on operational roles.

Peter Barlow Non-Executive Director

Peter has over 30 years' experience in international financing of infrastructure and energy. As a senior executive for International Power, Peter was responsible for arranging over \$12bn of project and corporate funding, as well as banking relationships and treasury activities. He has spent over 20 years working internationally for HSBC, Bank of America and Nomura, 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 all-round knowledge of all the sectors in which Fern operates, adds significant value to the operation of the Board as well as its strategy formation and deployment.



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Principal risks and uncertainties




Principal risks

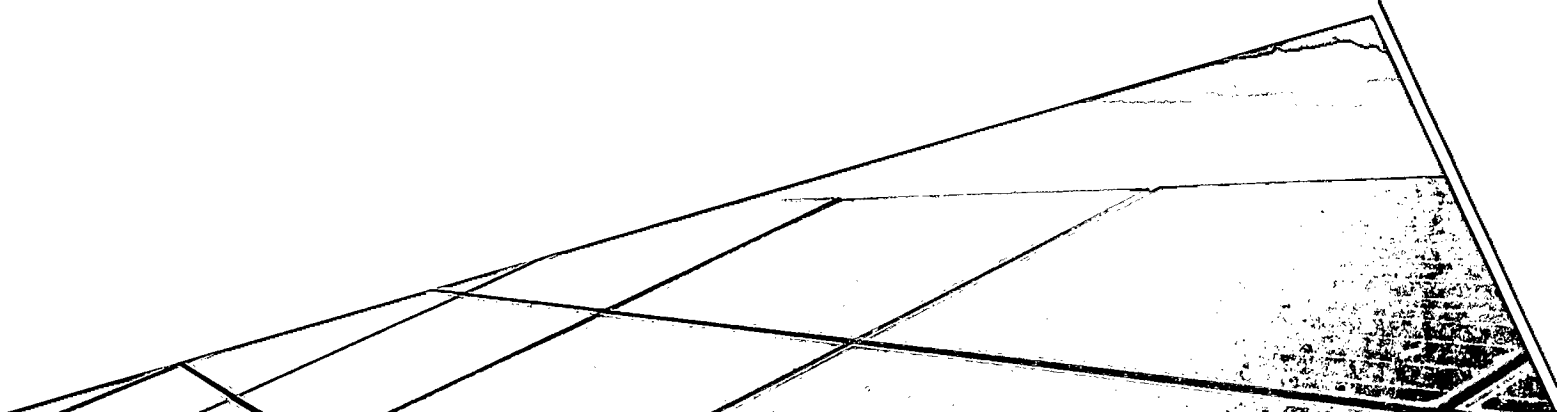
Management identify, assess and manage risks associated with the Group's business objectives and strategy. Risks arise from external sources, those which are inherent commercial risks in the market, and from operational risks contained within the systems and processes employed within the business. Overall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

The principal risks that the Group are exposed to

relate to market, operational (including health and safety), and counterparty risk. These risks are managed by thorough due diligence on new operating businesses or potential borrowers, and on the value of the assets securitised for new loans.






In the table below, we present a description of the risk, the mitigation we undertake to reduce the potential impact of this risk, and our assessment of whether the likelihood of the risk has changed or remained the same.

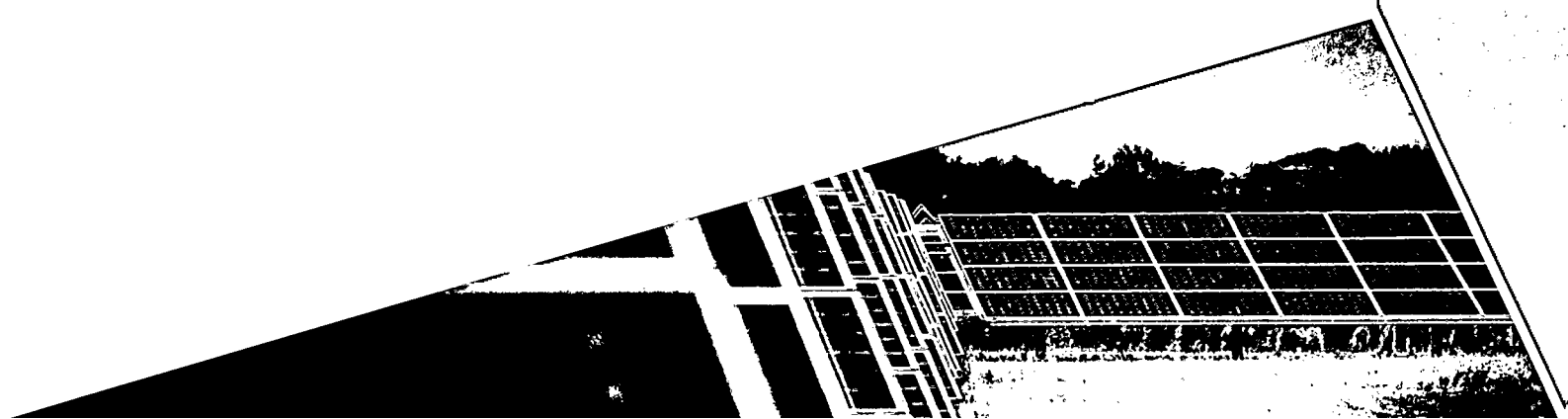
Principal Risks			
Risk	Division	Mitigations	Change
Market risk: Energy sites could fail to achieve forecast levels of income due to changes in energy prices or government subsidies.	Energy operations	Fluctuations in energy prices are mitigated by entering into contracts which fix a portion of our energy income, reducing exposure to underlying energy prices. 65% of our energy income was fixed through price power agreements, and 3% was fixed through Feed In Tariffs. Long-term government backed offtake agreements, such as the Renewable Obligation Certification ("ROC") scheme, also underpin certain revenue streams. 40% of our energy income was generated from ROC revenue. The government continues to show commitment to renewable energy and subsidies as part of its 'Build Back Greener' campaign.	 No change
Market risk (Construction): Fluctuations in the property market could result in lower than forecast revenue from the sale of retirement apartments once fully constructed.	Healthcare operations	Planning consents on undeveloped land are optimised to maximise available revenues. High-quality build specifications are designed to maintain the value of apartments, and costs incurred are kept under close review throughout the development process.	 Decrease (due to higher demand and more stable market)
Market risk: Interest rate changes could impact the lending business resulting in reduced profits or lack of competitive offering.	Lending	The Group's lending business is diversified, reducing the risk of changes in interest rates impacting all areas of the business. We offer responsive and flexible solutions which are not just about price to ensure we remain competitive in the market.	 Decrease (due to more stable economic environment)



2 | STRATEGIC REPORT




Principal risks and uncertainties

Principal Risks			
Risk	Division	Mitigations	Change
Market risk: A shift in policy by Ofcom or Government could have an adverse impact on the Group where the change is more favourable to larger, incumbent operators than alternative network providers	Fibre	The Group engages proactively with the Government and Ofcom to ensure the strategy and plans of the Group's fibre companies are well understood, and its interests are appropriately represented and protected.	 New
Market risk (Competition): The Group's fibre businesses primarily target areas of low competition (i.e. no Openreach or other fibre presence), however competition has increased in the last 12 months and there are numerous alternative network providers building assets across the UK and in areas targeted by Fern's fibre companies.	Fibre	The Group's fibre division regularly reviews the competitive landscape in their target build areas to ensure build plans do not conflict with other alternative network operators. The companies have well developed plans regarding announced towns and will only reconsider a town in the instance full build has been completed by another operator.	 New
Operational risk: Litigation as a result of medical malpractice suits.	Healthcare operations	The Group maintains robust policies and procedures relating to the provision of medical services. We review this through conducting internal inspections as well as external inspections by regulatory bodies. The Group has insurance policies in place to cover against financial losses due to medical malpractice claims.	 No change
Operational risk: Climate change and operational availability could impact revenue generated from energy sites.	Energy operations	Unpredictability of the weather is mitigated through the diversification of energy sectors and geographies in which the Group operates. Operational strategy and servicing of assets are optimised to maximise availability of assets.	 No change
Operational risk: An interruption to service or issue on the network is likely to affect customers and have a negative reputational impact if service isn't resumed quickly	Fibre	The fibre companies in the Group are building resilient networks with diverse route options. This, combined with an ability to identify and resolve connectivity issues quickly, will minimise downtime of the networks.	 New



2 | STRATEGIC REPORT

Principal risks and uncertainties





Principal Risks			
Risk	Division	Mitigations	Change
Operational risk (IT Systems and Data): The Group's fibre businesses use a wide range of IT systems and hold data on customers and employees. Loss or misuse of data could lead to reputational damage, regulatory action under GDPR and potential fines.	Fibre	Each fibre company has experienced and dedicated resource for IT and information security and since the year end, the Group has employed a Chief Information Security Officer to ensure appropriate management of Information and compliance with relevant rules and regulations regarding data.	 New
Counterparty risk (Construction): The Group's fibre businesses partner with construction firms to deliver their network builds. This exposes Fern to the macroeconomic impacts of resource availability and cost inflation.	Fibre	Each fibre company engages with several different construction partners to reduce the exposure to any single firm. In-housing of construction resource has also taken place in some instances to manage resource more effectively and reduce the impact of cost inflation.	 New
Counterparty risk: Loans made through the Group's lending business could be made to unsuitable counterparties, which could impact recoverability of the loan balance.	Lending	Loans are secured against solid underlying security, such as a charge over the property or other assets of the borrower. Thorough due diligence, including property or land valuations, is undertaken prior to all lending. Where loans are made for assets under construction or to businesses, management monitor stage completion and performance against relevant covenants prior to further drawdowns.	 Decrease (due to improved market conditions)



2 | STRATEGIC REPORT

Principal risks and uncertainties

In addition to the principal risks the Group is also exposed to other risks relating to currency, liquidity, interest rates and technology. In the below table we present a description of the risk, the mitigation we undertake to reduce the potential impact of this risk, and our assessment of whether the likelihood of the risk has changed or remained the same.

Other Risks			
Risk	Division	Mitigations	Change
Currency Risk: Assets under construction and revenues generated in other currencies may not generate the expected level of returns due to changes in foreign exchange rates.	Energy operations	The Group regularly reviews its exposure to foreign currency movement to ensure the level of risk is appropriately managed. Analysis undertaken by external parties has shown the probability of adverse FX movement to be within an acceptable range. This is monitored closely on an annual basis by management.	 Increased due to further overseas activity
Interest Rate Risk: Interest costs could increase as a result of market conditions.	Entire Group	For long-term floating rate debt, the Group enters into hedging arrangements to fix a portion of the interest to mitigate against an increase in interest rates. Note 21 outlines the hedging arrangements in place to mitigate this risk. Unhedged floating rate debt is at a manageable level. Central bank interest rates have been falling as a result of Covid-19 reducing this risk.	 No change
Liquidity Risk: Lack of availability of cash from bank loans or revenues could impact the Group's abilities to meet obligations as they fall due.	Entire Group	The Group undertakes thorough cash flow forecasting to ensure receipts are sufficient to meet liabilities as they fall due. Bank covenants are carefully monitored, and sensible levels of debt are maintained across the Group. The majority of the Group's borrowing is on a long-term basis, whereas our revenue is received throughout the year, as well as redemptions on our short-term loan book. The Group also has a flexible finance facility, which can be drawn or repaid to meet immediate business needs.	 No change
Technology Risk: The Group's fibre businesses are deploying high quality, fibre optic technology, which is superior in nature to existing copper infrastructure, and required for other technologies such as 5G and wireless. However, technological developments are an inherent risk to companies deploying technology	Fibre	Fibre is a critical national infrastructure and given the time it will take to roll out fibre across the UK, the likelihood of redundancy of this technology is low. Furthermore, other new technologies are considered still likely to require fibre backhaul solutions.	 New

The strategic report was approved by the Board of Directors on 17 December 2021 and signed on its behalf by:



PS Latham

Director

17 December 2021

3 | GOVERNANCE

Corporate governance

Section 172 (1) statement

The Board consider that they have adhered to the requirements of s172 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 s172(1)(a-f) of the Act) in the decisions taken during the year ended 30 June 2021. The directors also elected to disclose information required to be in the Directors' Report by the Companies (Miscellaneous Reporting) Regulations 2018.

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 financial and operational performance, as well as legal and regulatory compliance, is undertaken. The Board also review 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.

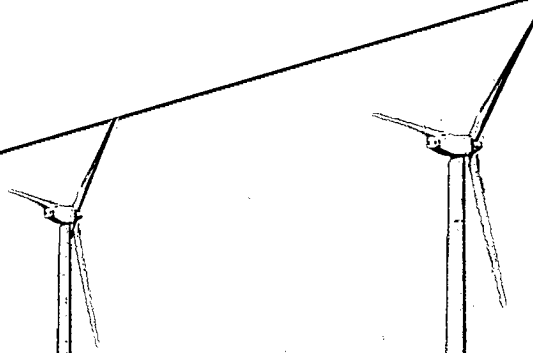
Principal decisions

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 consider that the following are examples of principal decisions it made in the year ended 30 June 2021:

- In order to facilitate the future growth of the Group, the Board decided to complete a rights-

issue in October 2020. 92,107,879 shares were issued at the October share price of £1.575, successfully raising £145m. This was strategically important to enable the expansion of the Group over the coming years. The Board evaluated the possible impact on stakeholders including shareholders and observed that the additional funding would be beneficial in providing greater opportunities to develop the Group by further acquisitions and supporting organic growth.

- Reviewing and deciding to move ahead with increasing biomass operations which is part of our renewables division. This is the Group's first acquisition in the biomass sector in over six years. The Group acquired one operational UK biomass site in April 2021, with a further biomass construction site acquired post year end in October 2021. This deployment aligns with the Group's strategy to balance the energy generation asset portfolio and develop renewable energy sites which provide predictable, long-term revenue streams via long term energy purchase price agreements. This provides resilience against wholesale pricing changes in the UK energy market. The Board considered the opportunity and how it aligned with our objective to make a positive contribution to the community and environment and considered it would be able to provide a positive contribution. Through consultation with management and employees, the Board determined that this opportunity would complement the existing biomass business and provide opportunities for new and existing employees in an expanding business
- The Board decided to expand our Fibre division, the newest part of our Group. This has given rise to the acquisition of two new Fibre companies during the year: Vorboss and Giganet. These acquisitions will allow the Group to expand the geographical reach of its physical fibre networks and increase its presence within the wider sector.



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Corporate governance

The Board reviewed all strategic opportunities within the sector in deciding to move ahead with these acquisitions, considering how this would impact existing businesses within the division and how it aligned with the Group's strategic objectives.

Business strategy

Our business strategy is set out on pages 11 to 14 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 relations and generating shareholder value is a key consideration when the Board is making strategic decisions. The prime medium by 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 fulfil their duty to employees by entrusting to subsidiary Boards which the Chief Executive of the Group also sits on.

The directors of the subsidiary undertakings manage the day to day decision making, engagement and communications with employees and ensure that people are treated fairly and are valued with respect to pay, benefit and conditions. We fully realise that our employees wish to be informed and consulted on matters affecting their work and to be involved in problem-solving

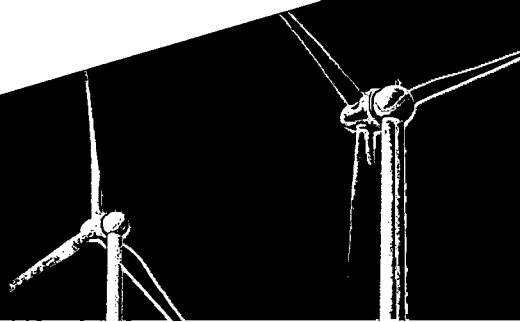
affecting their own areas of interest and responsibility. The Group is firmly committed to a policy of good communication at all levels and we aim to establish a climate which constantly encourages the open flow of information and ideas. Presently this includes monthly team briefings at a local level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

The health and safety of our employees in the workplace is a continual focus for the Group, given its broad operational business. The Directors review Health & 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 activities and management of certain operational activities to external suppliers. Where activities are outsourced the Board ensures that they are managed by reputable suppliers who meet all the relevant industry and regulatory commitments as well as treating employees fairly. Expected standards are documented in all service contracts and adherence to these are continually monitored by Board through their service agreement with Octopus Investments Limited.

Suppliers and customers

The Group acts in a fair manner with all suppliers and customers and seeks to maintain strong business relationships with them. This is achieved by all contracts being negotiated through a fair and transparent tender process which includes assessing the impact on the long-term objectives of the Group. We review our payment processing times against contracts every six months to ensure suppliers are paid promptly and this information for the company is available on the www.gov.uk website.



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Corporate governance

The Group ensures it acts fairly and in a transparent manner to all customers across all divisions and services, and actively engages to resolve any disputes or defaults. The Board closely monitors customer metrics and engages with the management team to understand the issues if business performance does not meet customers' expectations.

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 private hospitals have supported the NHS throughout the Covid-19 pandemic by providing treatment for non-Covid-19 NHS patients that otherwise could not have been carried out, and our fibre network will give people in rural communities access to high-speed broadband.

Business conduct

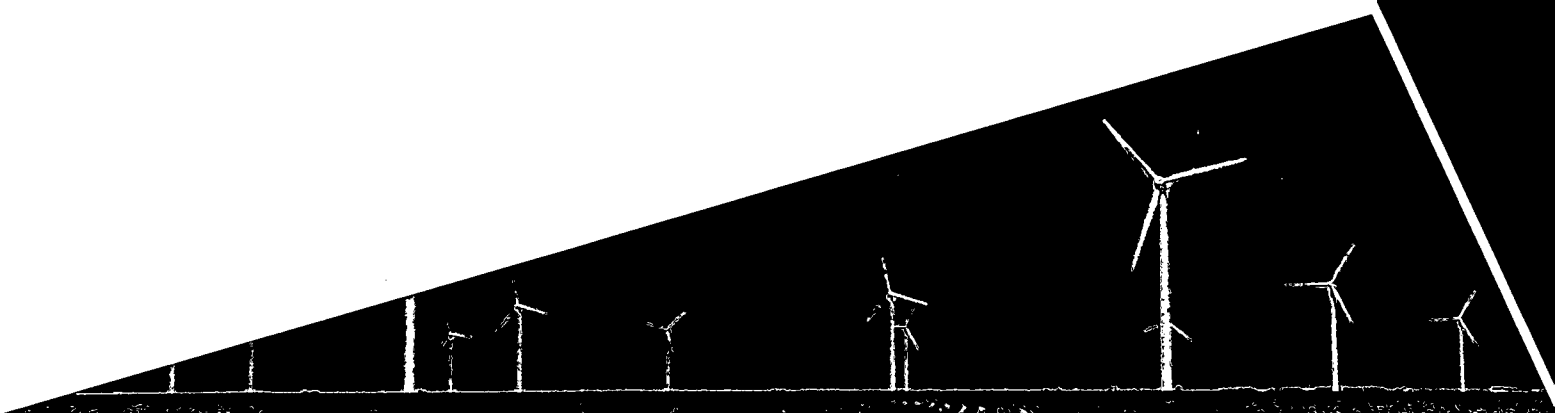
As Directors our intention is to behave responsibly, ensuring management operate the business with integrity and in accordance with the high standards of conduct and governance expected of a business such as ours. Our intention through our business strategy (outlined on pages 11 to 14) is to operate in sectors and work 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 29. In the year to 30 June 2021 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 28. The Board actively promotes a corporate culture that is based on ethical values and behaviours.



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Group finance review

Review of financial statements

The purpose of this report is to provide additional explanatory information on the financial statements to assist your review of the Group financial statements. The financial statements provide a statement of accounting losses for the past 12 months, and a snapshot of the balance sheet position as at the year-end date.

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 28 of the notes to the financial statements.

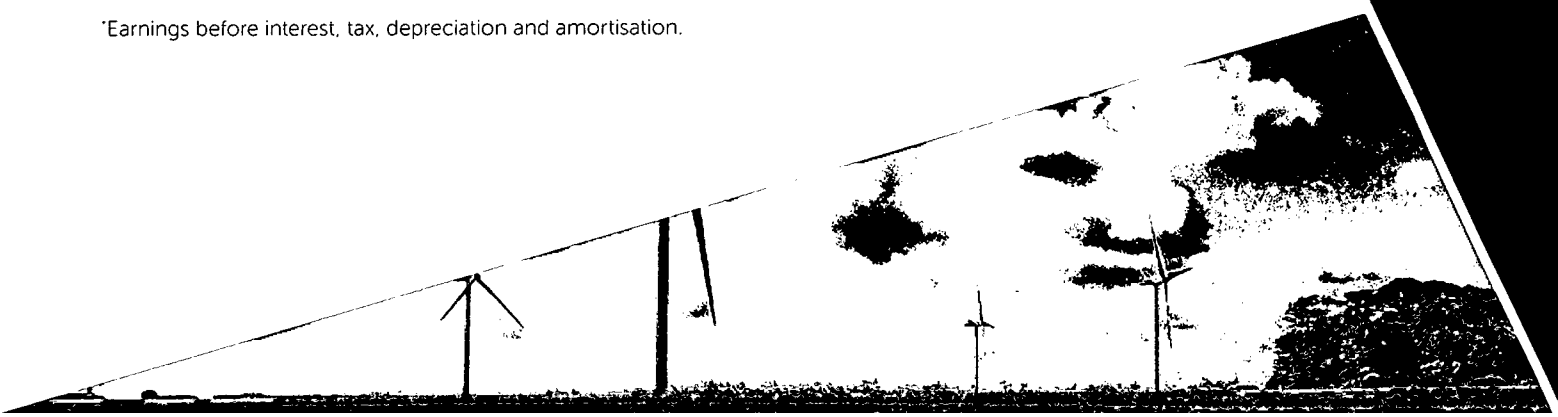
The financial statements do not and cannot reflect the future value that the Group expects to derive from these businesses and to that extent accounting performance may differ materially from the Group share price and may not reflect changes in the full market value of assets or businesses owned by the Group.

	2021 £'000	2020 £'000	Movement	
			£'000	%
Revenue	425,302	390,457	34,845	9%
EBITDA	104,037	134,418	(30,381)	(23%)
Loss before tax	(21,170)	(24,285)	3,115	13%
Lending book (net of provisions)	385,512	658,162	(272,650)	(41%)
Cash	172,478	206,688	(34,210)	(17%)
Net debt	699,440	885,162	(185,722)	(21%)
Net assets	1,873,594	1,678,552	195,042	12%

In spite of the challenges faced with Covid-19 and Brexit, the Group has exceeded performance expectations throughout the year and continued to grow with further expansion in our energy operations and fibre optic broadband sectors in particular. Overall EBITDA* decreased by 23% to £104m, which has been mainly driven by a £25m write down in Fern's lending book on certain loans to reserve power companies. These reserve power sites were purchased for fair value after year end, based on an independent opinion undertaken ahead of the transaction.

Increased operating expenditure of £20.9m in relation to fibre optic broadband infrastructure assets which are still in the development phase also contributed to the decrease in EBITDA. Adjusting for these two items, shows an EBITDA increase of 12% to £150m compared to £134m (restated) in 2020 and reflects the strong performance of our underlying assets.

*Earnings before interest, tax, depreciation and amortisation.



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Group finance review

A number of acquisitions were made during the year, including seven operational reserve power sites, two European wind farms, two fibre infrastructure companies, a biomass site, and a construction ready retirement village site with planning permission for 116 units. Shortly after the year end, in July 2021, the Group acquired a portfolio of nine reserve power sites for £18, in August, a construction ready Australian wind farm for £115.7m and in October, a biomass site currently under construction for £9m. To fund these acquisitions and support continued expansion, the group had built up cash reserves at year end of £172m.

Financial performance

Revenue for the Group increased by £35m to £425m during the year. This growth was predominantly driven by energy turnover which has increased by 10% to £322m (2020: £292m restated). This growth is due to a significant increase in average energy prices over the year compared to the three year average, further compounded by a surge in gas prices towards the end of the year. Whilst demand for energy has not yet returned to pre-Covid levels, we expect this to increase steadily over the next 12 months. Revenue growth was strongest in our Healthcare division, increasing by 49%, where a key NHS contract contributed to an increase in revenue of £14m to £42m (2020: £28.3m). Lending revenue saw a drop of 20% to £57m (2020: £70.4m) when compared with the prior year due to a smaller average loan book over the year as cash was made available to grow other parts of the Group.

Operating expenses for the year were £319m which was in line with expected expenditure, and included one-off expenses incurred such as the £25m provisions on the loan book. Refinancing and reducing external debt to secure improved terms in the past two years has contributed to the £15.3m decrease in interest costs to £36.1m (2020: £50.9m restated).

Included in this year's result is profit of £28.6m (2020: £18.0m) recognised on the sale of a solar site and the disposal of the Group's share of a joint venture in our energy operations business.

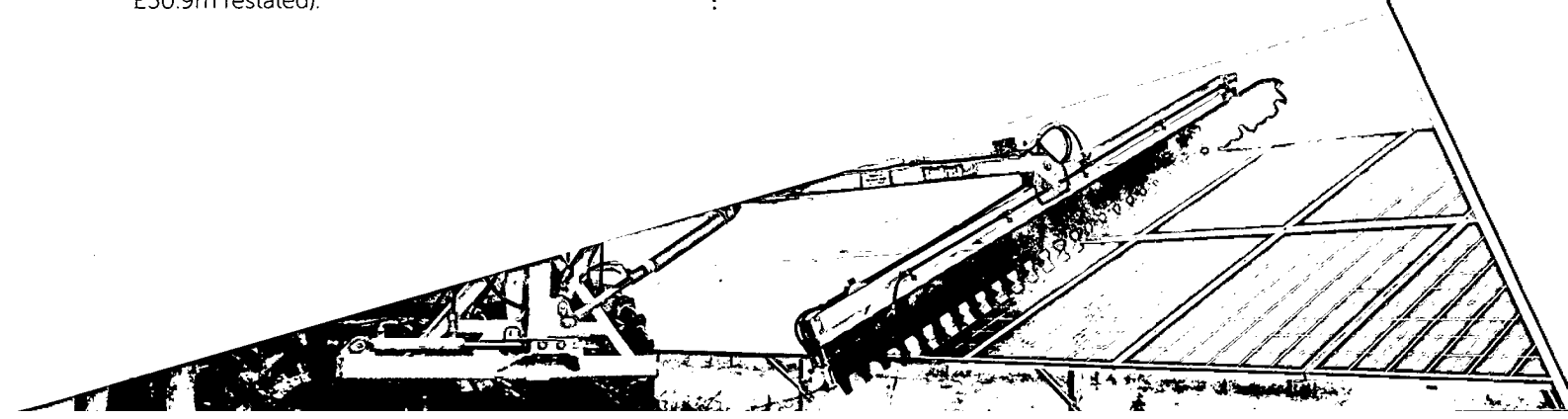
Overall, the Group has reported a loss before tax of £21m for the year ended 30 June 2021, which is a £3m improvement on the prior year (2020: £24m loss restated).

Financial position

Continued shareholder interest and investment in the Group has seen net assets grow to £1.87bn (2020: £1.68bn restated). In the year ended 30 June 2021, the Group issued 150.1m shares (2020: 63.1m restated) for a total consideration of £184.8m (2020: £98.3m), including a Rights Issue of 92.1m shares for consideration of £145.1m.

Net current assets of £661m (2020: £891m restated) have decreased by £231m, reflecting the reduction in size of the loan book and a redeployment of funds into longer term assets such as energy operations and fibre optic broadband. The Group's loan book across both property lending and development financing has decreased by 41% to £386m (2020: £658m), and at the 30 June 2021 represented 21% of the Group's net assets (2020: 39% restated).

Cash and cash equivalents as at 30 June 2021 were £172m (2020: £207m). Cash generation from operating activities remained strong at £342m (2020: £106m restated) which has been utilised alongside external long-term financing to enable the Group to grow its business. The Group has invested substantially into the fibre optic broadband sector over the past couple of years which will require substantial further capital expenditure over the next 12 months, increasing the Group's diversification across sectors.



3 | GOVERNANCE

Group finance review

Cash balances of £136m were held in our energy and fibre subsidiaries, where there are a number of construction and infrastructure projects under way, requiring cash to be readily available for stage payments due in the following months.

Goodwill, at £603m (2020: £584m restated), is a significant number on the balance sheet and arises on the acquisition of some businesses. Acquired businesses, for example renewable energy sites, often have a market value in excess of the company's net assets, reflecting their reliable future income streams. Accounting convention requires that only identifiable assets are named on the balance sheet so the accounts cannot record the balance of the additional market value which comprises the future profits that sites are expected to deliver. This additional value in excess of the value of fixed assets themselves (such as solar panels) is recognised as goodwill.

Put simply, the market value of the energy generation businesses (or indeed any operational businesses) reflects the value of future expected profits, not the cost of simply buying tangible assets such as solar panels or wind turbines. We pay market value for the sites we acquire, which 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 streams. Goodwill recognised will gradually be written off over the life of the site, as expected returns are realised.



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Group finance review

Sector performance

Lending

Revenue from lending decreased by £13.8m or 20%, primarily due to a smaller loan book, which contracted by 41% to £386m (2020: £658m restated). This was a strategic move for the Group, enabling cash to be available for acquisition opportunities available during the year across other sectors. This is not intended as a long-term strategic shift, and in time, the Group expects to increase deployment into its lending book as opportunities arise.

EBITDA for the Lending division decreased to a profit of £0.8m from £27.8m in the prior year. This movement reflects a provision of £25m in the loan book against loans to reserve power sites and an overall reduction in the size of the loan book. In the year to June 2021, £21.1m was provided against loans versus £10.4m in the prior year.

Energy operations

The results for the year ended 30 June 2021 for our energy operations division have far exceeded expectations. Low energy demand and energy prices at the start of this year, had been the product of strict lockdowns throughout the Covid-19 pandemic. However, the granting of key industry status to energy generation workers allowed all operations to continue relatively unaffected into 2021. As economic activity and global demand increased through the year, so too did wholesale energy prices, driven by movements in commodity prices, which resulted in the overall increase in revenue earned across our energy sites. This is alongside the recent surge in gas prices which has resulted in better than expected performance across our reserve power sites. These market factors have resulted in a year on year increase in revenue of 10% to £322m (2020: £292m restated).

EBITDA increased by an unexpected 40% to £128m (2020: £91m restated) reflecting the movements in

revenue in addition to a decreased cost base.

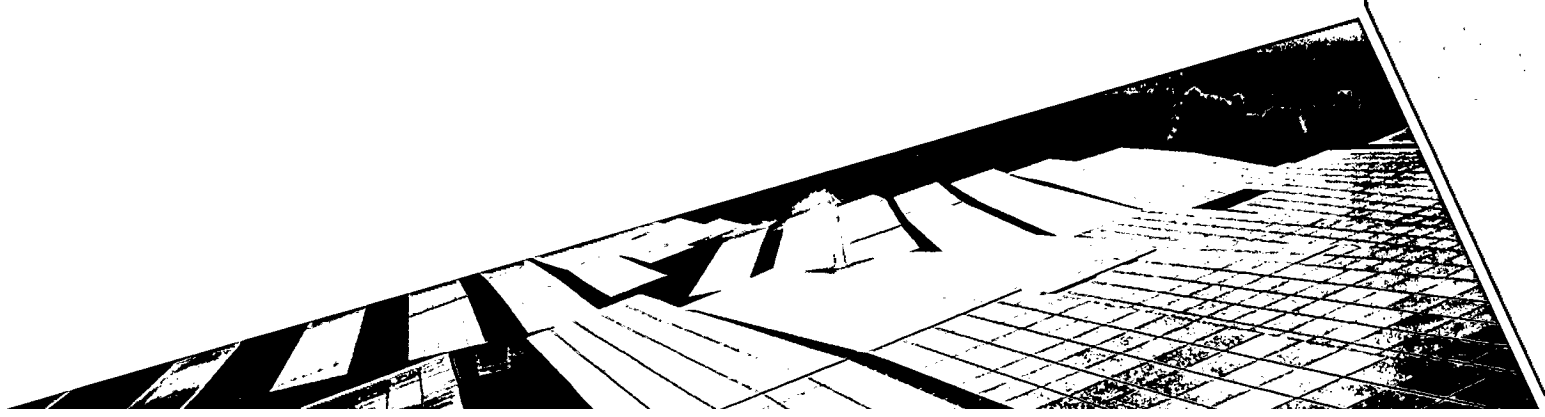
Overall total operating costs decreased by £6.7m to £194m (2020: £201m), mainly due to 2020 including a one off exceptional cost of £20m in relation to a mutually agreed settlement for the commercial end of a key contract.

The Group has been building scale and experience in this sector over a number of years which has enabled us to enter into new contracts with improved terms, contributing to our lower cost base and improved EBITDA. This demonstrates the success of the Group's strategy in the energy business, future proofing the sector's operational efficiency and diversifying the investment.

Healthcare operations

Our Healthcare division comprises the Rangeford Retirement Villages and a private hospital business "One Healthcare". Healthcare contributed £42m (2020: £28m) to Group revenues for the year reflecting the impact of a new NHS contract awarded to provide support and services to NHS patients during the ongoing pandemic. This contract ended in March 21 and the business returned to treating private patients as well as NHS waitlist patients. We anticipate this to be a one-off upside however the contract has increased the opportunity to take up more NHS waitlist patients as well as private patients. This upside was partially offset by decreased revenue in Rangeford and increased expenditure. Sales of apartments at the retirement villages have been impacted by the government lockdowns, however we have seen interest and sales gradually pick up as the restrictions ease.

Both businesses are continuing to focus on improved performance, which has resulted in an improved EBITDA profit of £0.9m, a £4.3m uplift on the prior year loss of £3.3m.



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Group finance review

Fibre optic broadband operations

Fibre optic broadband is a new sector that the Group added to its business in the past two years. Adding to the two existing fibre optic broadband businesses, the Group acquired Vorboss Limited in November 2020 and Giganet Limited in April 2021. The Group also set up VitriFi Limited, a fibre software development company set up in February 2021.

The division reported an EBITDA loss of £23.5m (2020: £7.5m loss) which is in line with expectations and reflects the development stage of the business and the continued expenditure expected on its infrastructure.

In common with all our businesses, future value cannot be expressed on the balance sheet (aside from anything recognised in Goodwill), but is captured in the Group share price.

Funding and liquidity

Our strategy is to secure long-term financing at conservative levels from mainstream banks in order to enhance returns from our renewable energy businesses.

This enables us to acquire businesses that the market considers to have more favourable characteristics such as predictable cost base, revenue streams, government incentives or 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.

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 a flexible finance facility which can be drawn or repaid to meet immediate business needs.

Looking ahead

The Covid-19 pandemic continues to impact the economic outlook for the short to medium term as the effect of business's finding their new normal and the adjustments required into a post-Covid world. The Group continues to monitor the situation carefully and take a prudent approach to any current and emerging risks. We are positive about the continued opportunity for growth.

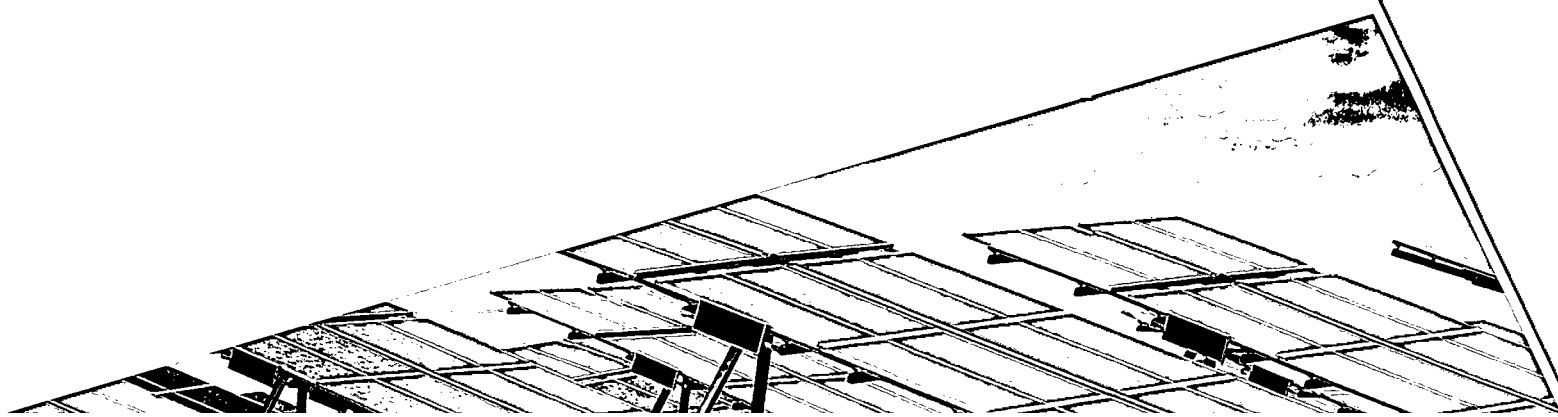
As at the end of the financial year 30 June 2021 management believe that the business is well positioned to take advantage of future growth opportunities across its core business areas. Lending and energy operations are now well established and continue to make excellent progress. We expect both to generate strong operating returns for the coming years, in addition to the anticipated construction inflows. The Healthcare and Fibre divisions which have been established over the past few years are performing in line with our long-term strategy and we anticipate strong operating returns over the next few years.



PS Latham

Director

17 December 2021



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Directors' report for the year ended 30 June 2021

The directors present their report and the audited consolidated financial statements of the Group for the year ended 30 June 2021.

Results and dividends

For a summary of the Group's results, refer to the Group finance review on page 23.

The directors have not recommended payment of a dividend (2020: £Nil).

Directors

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 (appointed 14 May 2020)

KJ Willey (appointed 4 August 2020)

PG Barlow (appointed 4 August 2020)

On 10 July 2020, as part of a group restructure, a newly incorporated company, Fern Trading Limited (formerly Fern Trading Group Limited) acquired 100% of the share capital of Fern Trading Group Limited (formerly Fern Trading Limited) in a share for share exchange. The purpose of this reorganisation to the Fern Group is to provide an improved corporate structure to facilitate the growth of the business. On 4 August 2020, following this restructure, KJ Willey and PG Barlow resigned as Directors of Fern Trading Group Limited (formerly Fern Trading Limited) and were appointed as Directors of Fern Trading Limited (formerly Fern Trading Group Limited).

Post balance sheet events

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

Principal activities and business review

Refer to the Strategic Report on page 8.

Future developments

Refer to the Strategic Report on page 12.

Financial risk management

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 16.

Matters covered in the strategic report

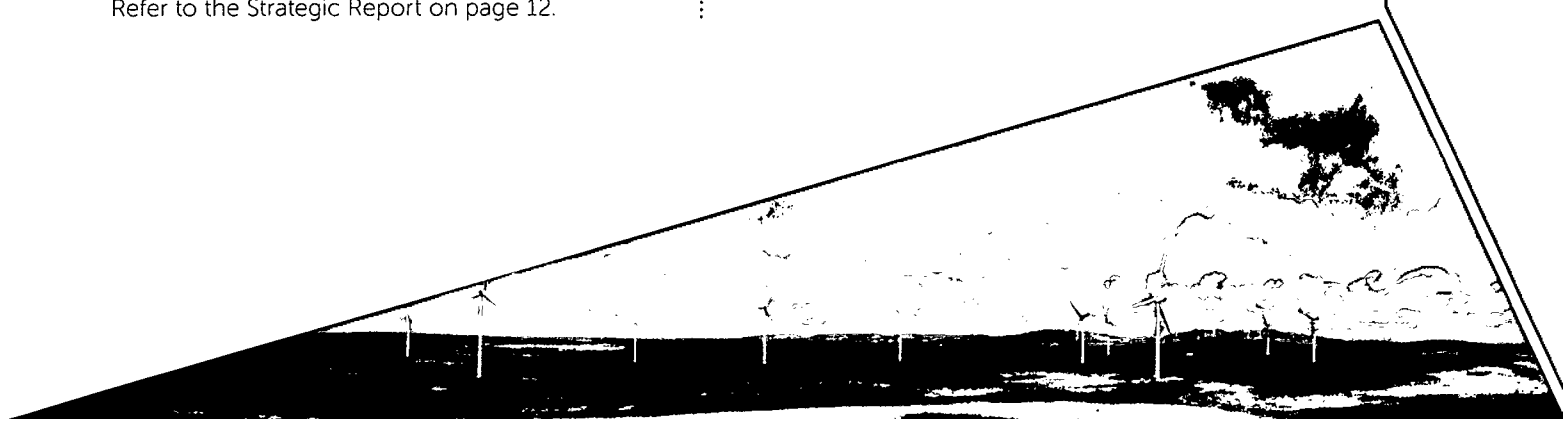
As permitted by S414c (11) of the Companies Act 2006, the directors have elected to disclose information required to be in the directors' report by Schedule 7 of the 'Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008', in the strategic report.

Promotion of a corporate culture that is based on ethical values and behaviours

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.

Employment of disabled persons

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.



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Directors' report for the year ended 30 June 2021

Employee information

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.

Outsourcing

The Group has in place an agreement with Octopus Investments Limited to provide services to the Group covering operational oversight, administration, secretarial and company accounting.

Environmental policy and reporting

The Board adopted a formal environmental, social and corporate governance ("ESG") policy on 30 September 2020. The Group recognises the need to conduct its business, in a manner that is responsible to the environment, wherever possible.

As a low energy user, the Company has elected not to disclose data on its energy and carbon usage. Fern Trading Limited (formerly Fern Trading Group Limited) is the only Company in the Group that meets the reporting criteria and therefore no information is provided for the Group as a whole.

Bribery act

The Group's has an Anti-Bribery Policy which introduced robust procedures to ensure full compliance with the Bribery Act 2010 and to ensure that the highest standards of professional ethical conduct are maintained.

Whistleblowing

In accordance with the recommendations of The UK Corporate Governance Code, the Board has considered the arrangements in place to encourage staff of the Group or Manager of the Group to raise concerns, in confidence, within their organisation 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-on action where necessary, to take place within the organisation.

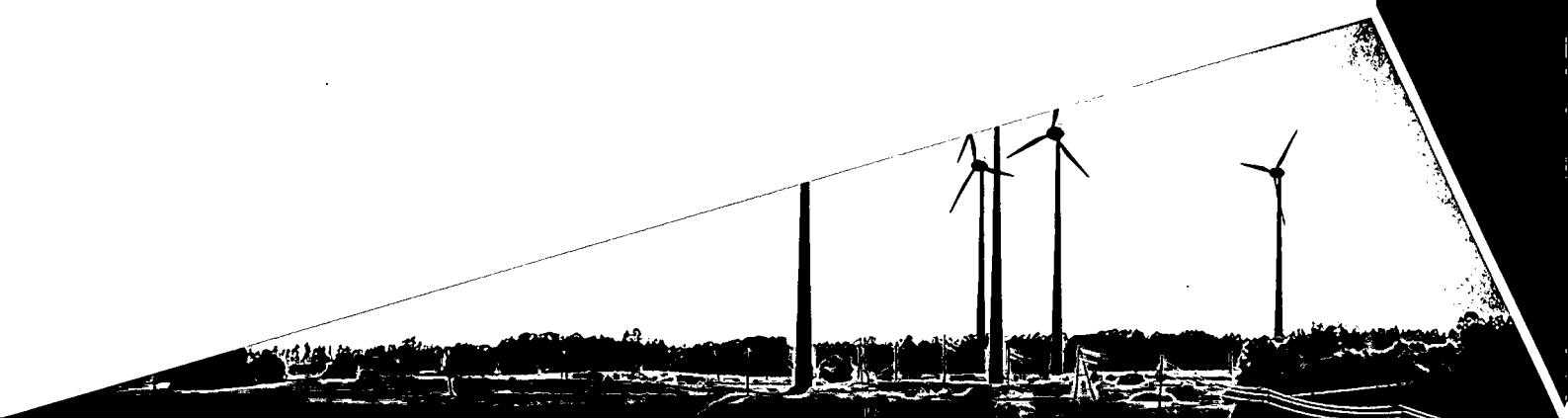
Modern slavery

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.

Statement of directors' responsibilities

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a



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Directors' report for the year ended 30 June 2021

true and fair view of the state of affairs of the Group and Company 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.

Directors' indemnities

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.

Directors' confirmations

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

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

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

PricewaterhouseCoopers LLP have indicated their willingness to be reappointed for another term and will be proposed for re-appointment in accordance with section 485 of the Companies Act 2006.

The Directors' report was approved by the Board of Directors on 17 December 2021 and signed on its behalf by:



PS Latham

Director

17 December 2021



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Independent auditors' report to the members of Fern Trading Limited

Report on the audit of the financial statements

Opinion

In our opinion, Fern Trading Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 30 June 2021 and of the group's loss and the group's cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Accounts 2021 (the "Annual Report"), which comprise: the Group and Company balance sheets as at 30 June 2021; the Group profit and loss account, the Group statement of comprehensive income, the Group and Company statements of changes in equity and the Group statement of cash flows for the year then ended; the Statement of accounting policies; and the notes to the financial statements.

Basis for opinion

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

Independence

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

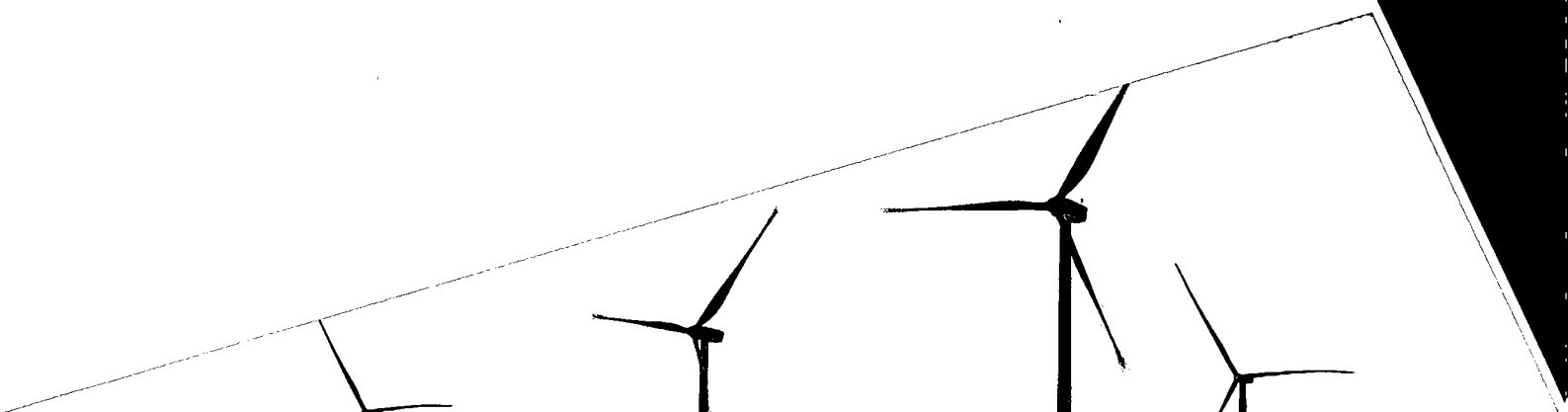
Conclusions relating to going concern

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

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

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

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



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Independent auditors' report to the members of Fern Trading Limited

Reporting on other information

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

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

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

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

Strategic Report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 30 June 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

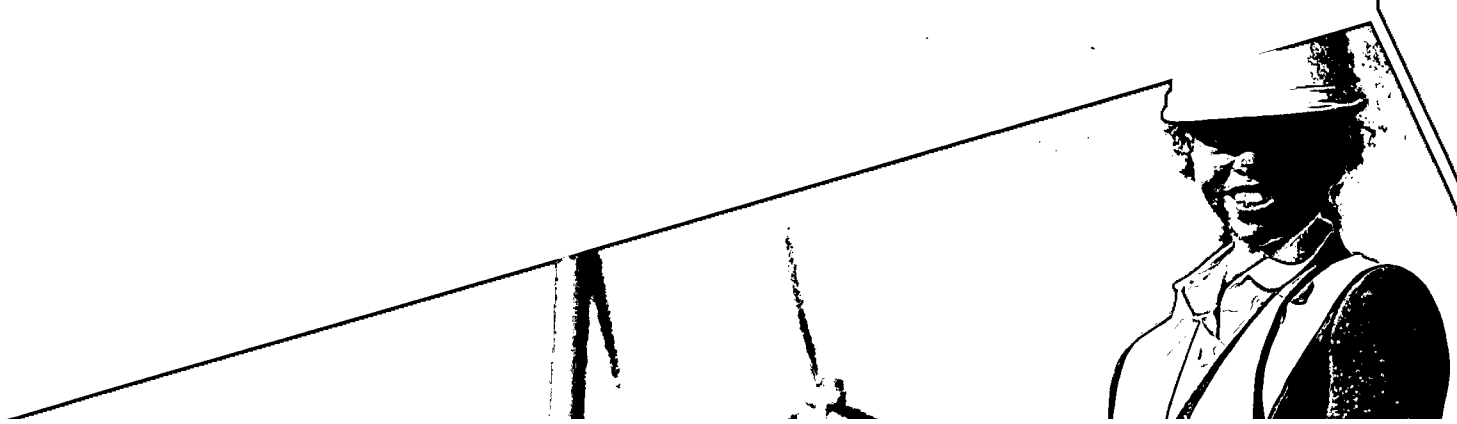
In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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

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



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Independent auditors' report to the members of Fern Trading Limited

Auditors' responsibilities for the audit of the financial statements

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

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

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to health and safety regulations and tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial reporting and management

bias within accounting estimates. Audit procedures performed by the engagement team included:

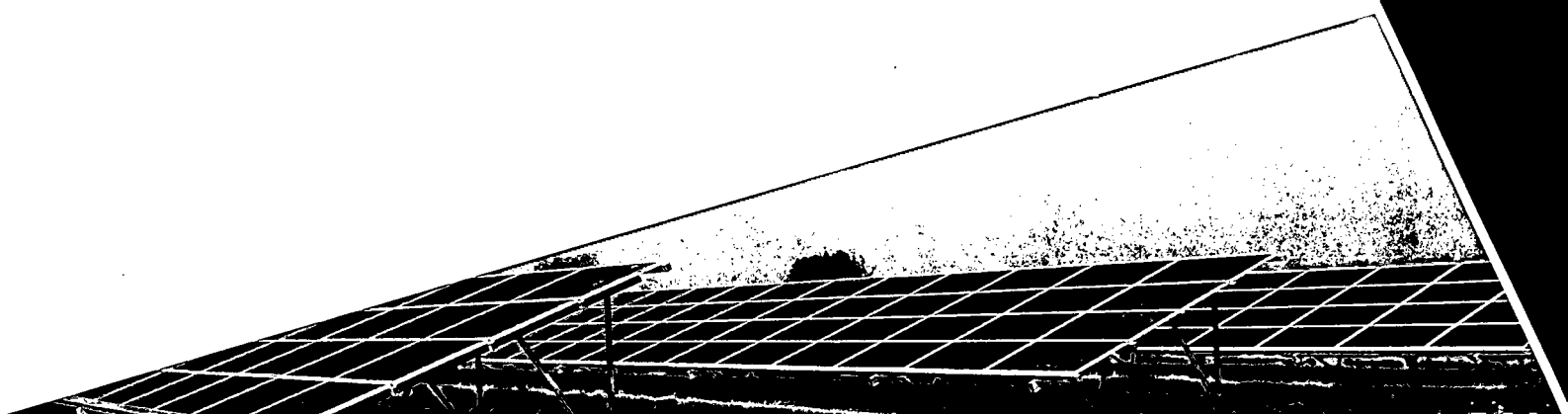
- discussions with management and those charged with governance, including consideration of known or suspected instances of fraud, litigation claims or non-compliance with laws and regulations;
- identifying and testing journal entries, in particular any journal entries posted with unusual account combinations;
- obtaining supporting audit evidence for the significant assumptions made by management in determining significant accounting estimates and judgements;
- reviewing financial statement disclosures and testing to supporting documentation, where appropriate, to assess compliance with applicable laws and regulations; and
- reviewing minutes of meetings of those charged with governance.

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at:

www.frc.org.uk/auditorsresponsibilities.

This description forms part of our auditors' report.



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Independent auditors' report to the members of Fern Trading Limited

Use of this report

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

Other required reporting

Companies Act 2006 exception reporting

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

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or

- certain disclosures of directors' remuneration specified by law are not made; or
- the company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Nicholas Cook (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Newcastle upon Tyne
17 December 2021

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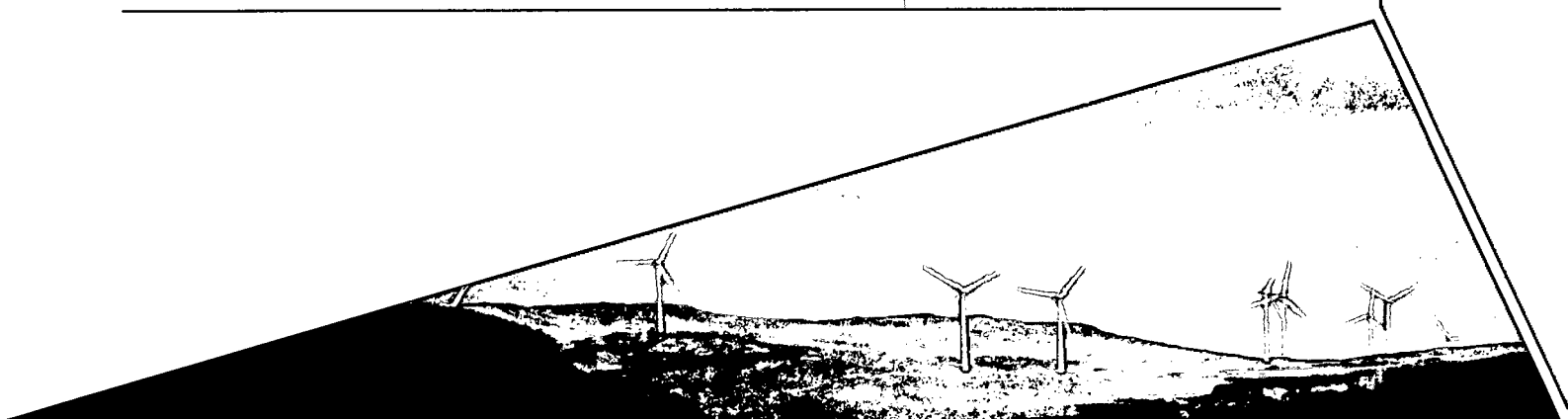
Group profit and loss account for the year ended 30 June 2021

	Note	2021 £'000	(restated) 2020 £'000
Turnover	1	425,302	390,457
Cost of sales		(221,277)	(164,957)
Gross profit		204,025	225,500
Administrative expenses		(230,351)	(225,018)
Operating loss	2	(26,326)	482
Other income	1	9,454	4,718
Income from other fixed asset investments		449	945
Share of operating profit in joint venture		1,755	2,303
Profit on disposal of subsidiaries and joint venture	8, 10	28,568	17,992
Other interest receivable and similar income	6	997	148
Interest payable and similar charges	6	(36,067)	(50,873)
Loss before taxation		(21,170)	(24,285)
Tax on loss	7	(8,143)	(9,324)
Loss for the financial year		(29,313)	(33,609)
Attributable to Fern		(25,306)	(30,241)
Minority interest		(4,007)	(3,368)
		(29,313)	(33,609)

All results relate to continuing activities. Note 26 details the prior period adjustments.

Group statement of comprehensive income for the year ended 30 June 2021

	2021 £'000	(restated) 2020 £'000
Loss for the financial year	(29,313)	(33,609)
Other comprehensive income/(expense)		
Movements in cash flow hedges	46,739	(30,033)
Foreign exchange gain/(loss) on retranslation of subsidiaries	(333)	2,315
Other comprehensive income/(expense) for the year	46,406	(27,718)
Total comprehensive income/(expense) for the year	17,093	(61,327)
Attributable to		
• Owners of the parent	21,100	(57,959)
• Non-controlling interests	(4,007)	(3,368)
	17,093	(61,327)



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Group balance sheet as at 30 June 2021

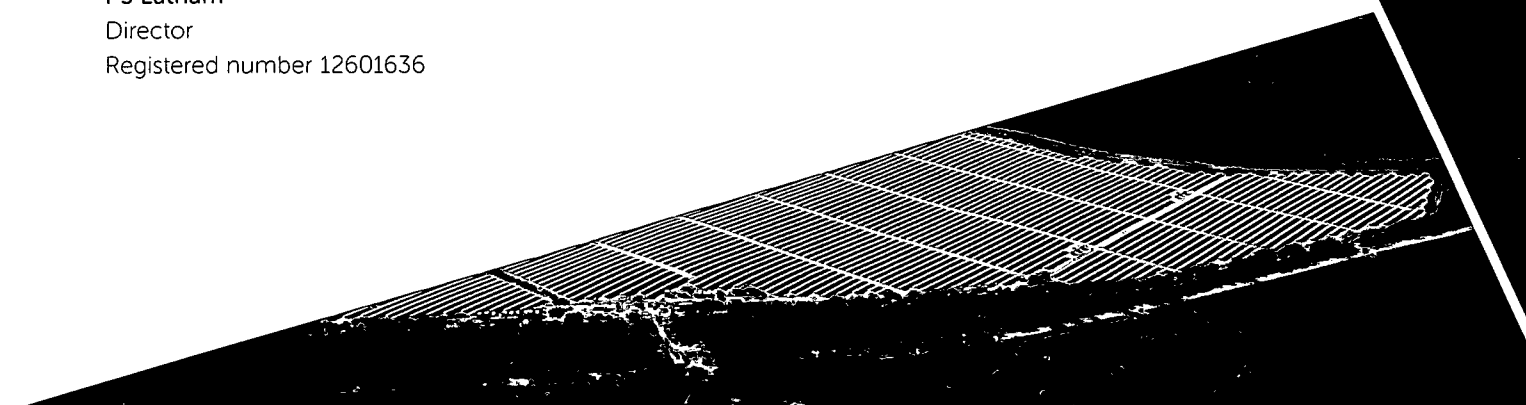
	Note	2021 £'000	(restated) 2020 £'000
Fixed assets			
Intangible assets	8	612,750	593,660
Tangible assets	9	1,551,170	1,346,655
Investments	10	11,000	12,268
		2,174,920	1,952,583
Current assets			
Stocks	12	94,711	74,806
Debtors (including £16.1m (2020: £179.2m) due after more than one year)	13	600,726	842,549
Cash at bank and in hand	11	172,478	206,688
		867,915	1,124,043
Creditors: amounts falling due within one year	14	(207,318)	(232,813)
Net current assets		660,597	891,230
Total assets less current liabilities		2,835,517	2,843,813
Creditors: amounts falling due after more than one year	15	(903,339)	(1,111,324)
Provisions for liabilities	17	(58,584)	(53,937)
Net assets		1,873,594	1,678,552
Capital and reserves			
Called up share capital	18	149,676	138,435
Share premium account		173,118	–
Merger reserve		1,440,257	1,635,569
Cash flow hedge reserve		(17,098)	(63,837)
Profit and loss account		123,920	(41,185)
Total shareholders' funds		1,869,873	1,668,982
Non-controlling interests		3,721	9,570
Capital employed		1,873,594	1,678,552

Note 26 details the prior period adjustments.

These consolidated financial statements on pages 35 to 93 were approved by the Board of directors on 17 December 2021 and are signed on their behalf by:



PS Latham
Director
Registered number 12601636



4 | FINANCIAL STATEMENTS 30 JUNE 2021

Company balance sheet as at 30 June 2021

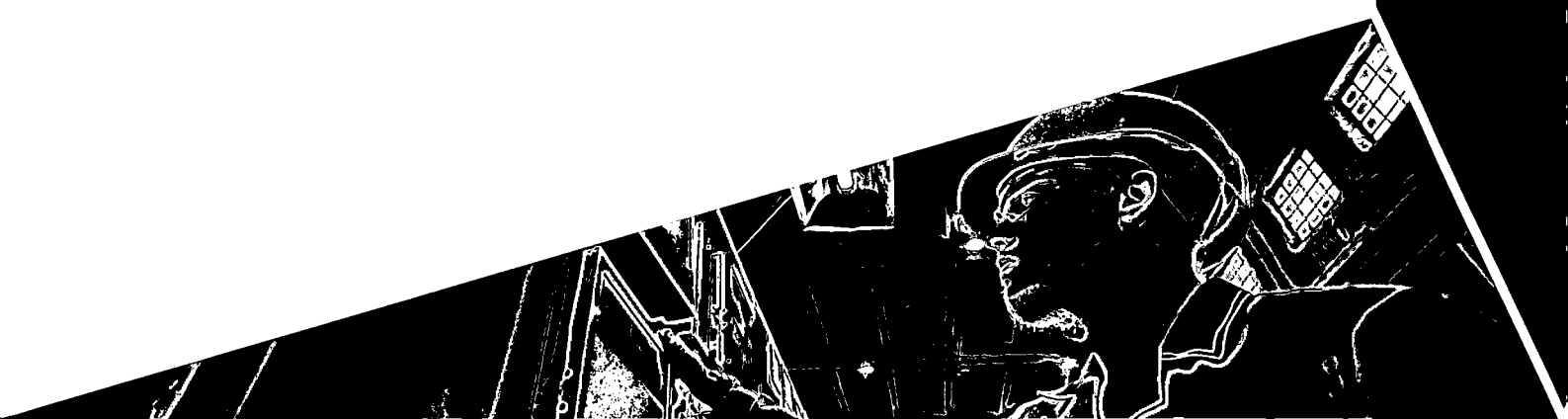
	Note	2021 £'000
Fixed assets		
Investments	10	2,116,366
		2,116,366
Current assets		
Debtors	13	50,383
Cash at bank and in hand	11	1,523
		51,906
Creditors: amounts falling due within one year	14	(22,924)
Net current assets		28,982
Total assets less current liabilities		2,145,348
Net assets		2,145,348
Capital and reserves		
Called up share capital	18	149,676
Share premium account		173,118
Merger reserve		1,791,145
Profit and loss account		31,409
Total shareholders' funds		2,145,348

The Company has elected to take the exemption under section 408 of the Companies Act 2006 not to present the Company profit and loss account. The loss for the financial period dealt with in the financial statements of the Company was £157,504,000.

These financial statements on pages 35 to 93 were approved by the Board of directors on 17 December 2021 and are signed on their behalf by:



PS Latham
Director
Registered number 12601636



4 | FINANCIAL STATEMENTS 30 JUNE 2021

Group statement of changes in equity for the year ended 30 June 2021

	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
Balance as at 1 July 2019 (as stated)	132,317	–	1,641,686	(17,921)	(32,123)	1,723,959	15,438	1,739,397
Prior period adjustments (note 26)	–	–	–	(15,883)	10,288	(5,595)	–	(5,595)
Balance as at 1 July 2019 (restated)	132,317	–	1,641,686	(33,804)	(21,835)	1,718,364	15,438	1,733,802
Loss for the financial year (restated)	–	–	–	–	(30,241)	(30,241)	(3,368)	(33,609)
Changes in market value of cash flow hedges (restated)	–	–	–	(30,033)	–	(30,033)	–	(30,033)
Foreign exchange gain on retranslation of subsidiaries	–	–	–	–	2,315	2,315	–	2,315
Other comprehensive income/(expense) for the year (restated)	–	–	–	(30,033)	2,315	(27,718)	–	(27,718)
Total comprehensive expense for the year (restated)	–	–	–	(30,033)	(27,926)	(57,959)	(3,368)	(61,327)
Non-controlling interest arising on business combination	–	–	–	–	–	–	(2,500)	(2,500)
Prior period adjustments (note 26)	–	–	–	–	8,576	8,576	–	8,576
Shares issued during the year	6,314	–	(6,314)	–	–	–	–	–
Shares cancelled during the year	(196)	–	197	–	–	1	–	1
Balance as at 30 June 2020 (restated)	138,435	–	1,635,569	(63,837)	(41,185)	1,668,982	9,570	1,687,552
Balance as at 1 July 2020 (restated)	138,435	–	1,635,569	(63,837)	(41,185)	1,668,982	9,570	1,678,552
Loss for the financial year	–	–	–	–	(25,306)	(25,306)	(4,007)	(29,313)
Changes in market value of cash flow hedges	–	–	–	46,739	–	46,739	–	46,739
Foreign exchange loss on retranslation of subsidiaries	–	–	–	–	(333)	(333)	–	(333)



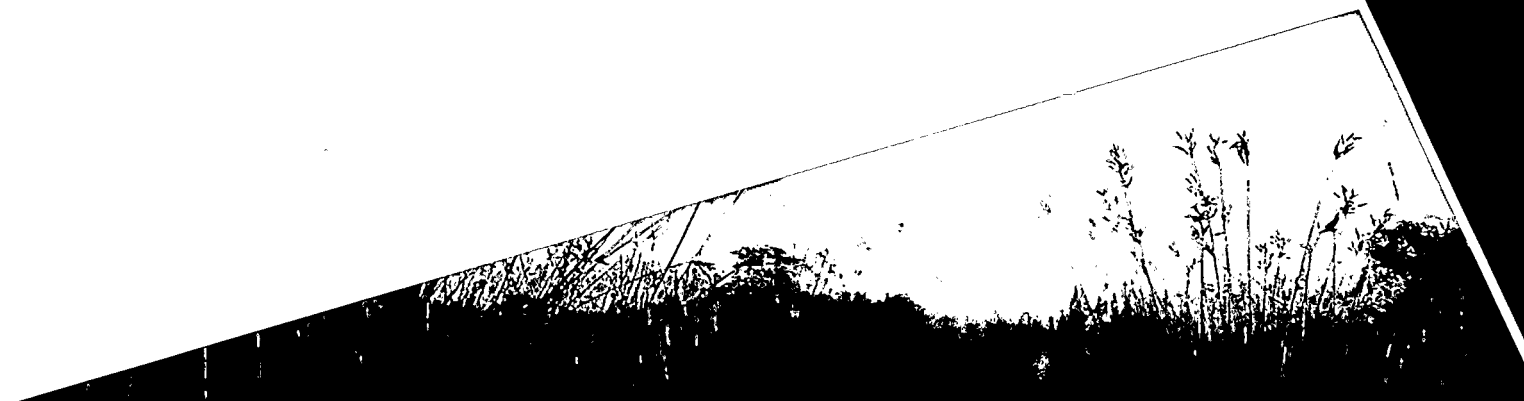
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	Called up share capital	Share premium account	Merger reserve	Cash flow hedge reserve	Profit and loss account	Total share- holders' funds	Non- controlling interest	Capital employed
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Other comprehensive income/(expense) for the year	–	–	–	46,739	(333)	46,406	–	46,406
Total comprehensive income/(expense) for the year	–	–	–	46,739	(25,639)	21,100	(4,007)	17,093
Non-controlling interest arising on business combination	–	–	–	–	1,831	1,831	(1,842)	(11)
Utilisation of merger reserve	–	–	(195,312)	–	195,312	–	–	–
Shares issued during the year	11,685	173,118	–	–	–	184,803	–	184,803
Shares cancelled during the year	(444)	–	–	–	(6,399)	(6,843)	–	(6,843)
Balance as at 30 June 2021	149,676	173,118	1,440,257	(17,098)	123,920	1,869,873	3,721	1,873,594

Note 26 details the prior period adjustments.

Company statement of changes in equity for the year ended 30 June 2021

	Called up share capital	Share premium account	Merger reserves	Profit and loss account	Total shareholders' funds
	£'000	£'000	£'000	£'000	£'000
Balance at incorporation	–	–	–	–	–
Loss for the financial year	–	–	–	(157,504)	(157,504)
Utilisation of merger reserve	–	–	(195,312)	195,312	–
Total comprehensive income	–	–	(195,312)	37,808	(157,504)
Shares issued during the year	150,120	173,118	1,986,457	–	2,309,695
Shares cancelled during the year	(444)	–	–	(6,399)	(6,843)
Balance as at 30 June 2021	149,676	173,118	1,791,145	31,409	2,145,348



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Group statement of cash flows for the year ended 30 June 2021

	Note	2021 £'000	(restated) 2020 £'000
Cash flows from operating activities			
Loss for the financial year attributable to the owners of the parent (restated)		(25,306)	(30,241)
Adjustments for:			
Tax on loss		8,143	9,324
Interest receivable and similar income		(997)	(148)
Interest payable and other similar charges (restated)		36,068	50,873
Profit on disposal of subsidiaries and joint venture		(28,568)	(17,991)
Income from joint venture		(1,755)	(2,303)
Income from fixed asset investments		(449)	(945)
Amortisation of intangible fixed assets (restated)		34,991	33,989
Depreciation of tangible fixed assets		85,917	73,610
Non-cash staff costs		8,875	(1,181)
Movements on derivatives and foreign exchange		(19,788)	14,288
Increase in stock		(5,701)	(2,399)
Increase/(decrease) in debtors		249,374	(31,323)
Increase/(decrease) in creditors		6,871	11,896
Non-controlling interests		(4,007)	(3,368)
Tax received/(paid)		(1,751)	2,031
Net cash generated from operating activities		341,918	106,112
Cash flows from investing activities			
(Purchase) of subsidiary undertakings (net of cash acquired)		(221,987)	(142,642)
Sale of subsidiary undertakings and joint venture		34,503	140,291
(Purchase) of tangible assets		(110,457)	(213,378)
(Purchase) of intangible assets		(875)	(357)
(Purchase) of unlisted investments		(9,484)	(44,189)
Sale of unlisted investments		—	64,225
Interest received		997	148
Income from joint venture		1,077	2,500
Net cash used in investing activities		(306,226)	(193,402)
Cash flows from financing activities			
Proceeds from financing		—	124,051
Interest paid		(35,552)	(48,279)
Repayments of financing		(212,676)	—
Proceeds from share issue		184,359	98,270
Cancellation of shares		(6,399)	(3,026)
Net cash generated from financing activities		(70,268)	171,016
Net (decrease)/increase in cash and cash equivalents		(34,576)	83,726
Cash and cash equivalents at the beginning of the year		206,688	122,185
Exchange gains/(loss) on cash and cash equivalents		366	777
Cash and cash equivalents at the end of the year	11	172,478	206,688

Note 26 details the prior period adjustments.

4 | FINANCIAL STATEMENTS 30 JUNE 2021

Statement of accounting policies

Company information

Fern Trading Limited (formerly Fern Trading Group 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 6th Floor, 33 Holborn, London, EC1N 2HT. On 10 of July 2020, as part of a group restructure, Fern Trading Limited (formerly Fern Trading Group Limited) acquired 100% of the share capital of Fern Trading Group Limited (formerly Fern Trading Limited) in a share for share exchange.

Statement of compliance

The Group and individual financial statements of Fern Trading Limited (formerly Fern Trading Group Limited) have been prepared in compliance with 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.

Basis of preparation of financial statements

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 (formerly Fern Trading Group Limited) as listed in note 29 of the annual financial statements. Certain companies of these subsidiaries, which are listed in note 29, have taken the exemption from an audit for the year ended 30 June 2021 permitted by s479A 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 s479C of Companies Act 2006, of all the outstanding net liabilities as at 30 June 2021, of the subsidiaries listed in note 29.

Going concern

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 the Strategic Report on pages 4 to 14. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described in the financial review on pages 23 to 27. The principal risks of the Group are set out on pages 16 to 19.

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 at least twelve months after the date that the financial statements have been signed. Management have performed an assessment to determine whether there are any material uncertainties arising 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 outlook.



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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:

- The businesses within the Fern Group were able to continue operating and building for the future during lockdown, with construction across our Energy, Healthcare and Fibre divisions continuing, as our workers benefited from key worker status. We did see a drop in demand in the Energy sector which has impacted revenues in the short term, however this is partially offset by a contract for our private hospitals to provide support to the NHS by taking on non-Covid-19 NHS patients for treatment. The Group believes the wider economic outlook, consumer confidence and likely ongoing recession being the greatest risks to the future performance of the business. These key assumptions were built into the base case forecast scenario looking forward over the next twelve months, as management expect that there will be continued economic uncertainty as a result of Covid-19 in the short to medium term.

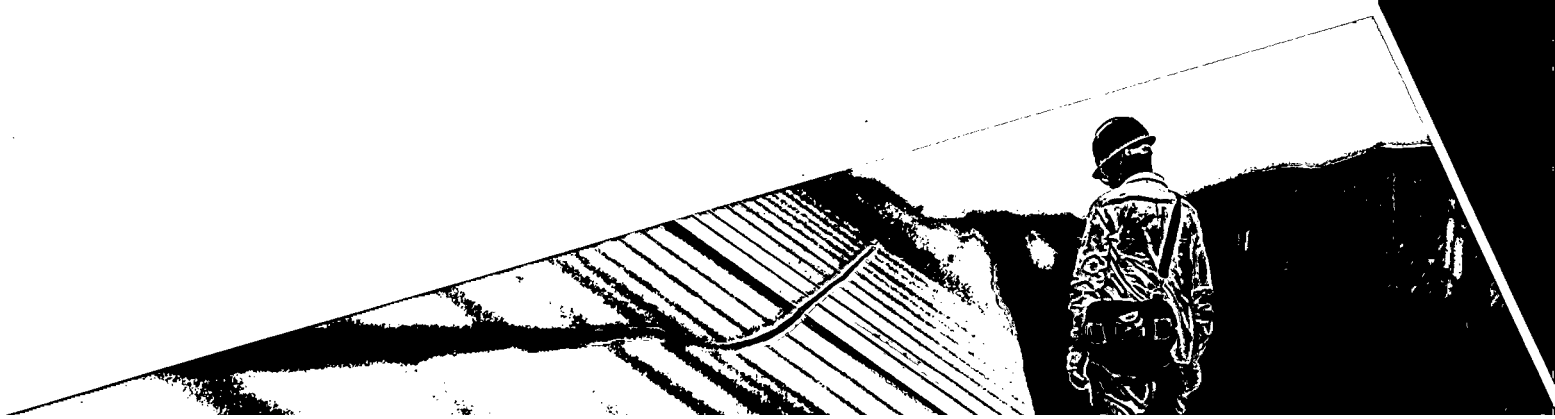
At 30 of June 2021, the Group had available cash of £172m and access to facilities of £972m including a RCF of £160m with a total available headroom of £37m. Bank loans of £47m are due to mature in less than one year, with the remainder of £825m payable in more than one year. The Group's facilities, repayment dates and undrawn amounts are set out in Note 16 Loans and Borrowings.

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 64% the Group is able to sustain its current operational costs and met all liabilities as they fall due for at least a year from approval of these financial statements, when utilising the available facilities within the Group. A 51% fall in revenue would result in a breach in debt covenants of the revolving credit facility, however these could continue to be met with a still severe and improbable drop in revenue of 35%.

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 semi-annually, and, at the date of this report, the Group is in compliance with all its financial covenants. Stress tests on severe and unlikely scenarios such as a significant reduction in EBITDA of 90% 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.

- 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 51 to 52.

Based on the above assessment of the Covid-19 pandemic impact on the financial position, liquidity and financial covenants, the directors have concluded that the Group and Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.



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Statement of accounting policies

Exemptions for qualifying entities under FRS 102

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:

- i. 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, included the Company's cash flows;
- ii. 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;
- iii. from disclosing the Company key management personnel compensation, as required by FRS 102 paragraph 33.7.

Basis of consolidation

On the 10 July 2020, Fern Trading Limited (formerly Fern Trading Group Limited) became the parent company of Fern Trading Group Limited (formerly Fern Trading Limited) forming "the Group".

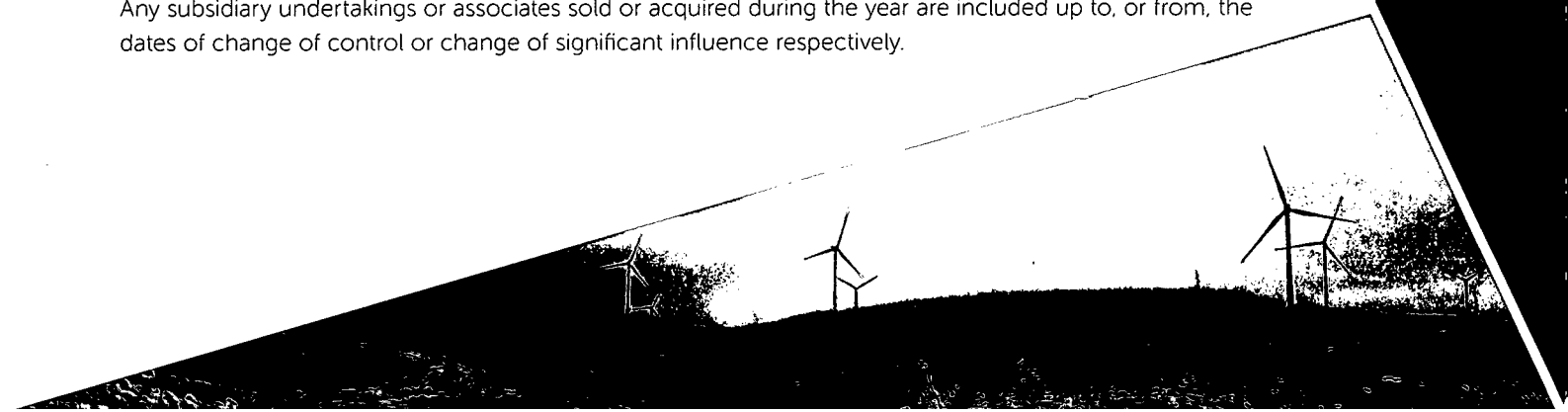
The introduction of a new parent company by way of a share for share exchange constitutes a group reconstruction and has been accounted for using merger accounting principles. Therefore, although the group reconstruction did not become effective until 10 July 2020, the consolidated financial statements of Fern Trading Limited (formerly Fern Trading Group Limited) are presented as if Fern Trading Limited (formerly Fern Trading Group Limited) and its subsidiaries, as listed in note 29, have always been part of the same group. Accordingly, the results of the Group for the entire year ended 30 June 2021 are shown in the Group profit and loss and statement of comprehensive income. The comparative figures for the year ended 30 June 2020 are also prepared on this basis. The results of the Company have been prepared from the date of incorporation and as such no comparatives have been presented.

The consolidated financial statements include the results of Fern Trading Limited (formerly Fern Trading Group 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 as subsidiary undertakings. Where a subsidiary has different accounting policies to the Group, adjustments are made to those subsidiary financial statements to apply the Group's accounting policies when preparing the consolidated financial statements.

Entities in which the Group holds an interest on a long-term basis and are jointly controlled by the Group and one or more other ventures under a contractual arrangement are treated as joint ventures. In the Group financial statements, joint ventures are accounted for using the equity method.

Any subsidiary undertakings or associates sold or acquired during the year are included up to, or from, the dates of change of control or change of significant influence respectively.



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Statement of accounting policies

Where the Group has written a put option over shares held by a non-controlling interest, the Group derecognises the non-controlling interest and instead recognised contingent deferred consideration liability within other payables for the estimated amount likely to be paid to the non-controlling interest on exercise of those options. The residual amount, representing the difference between any consideration paid/payable and the non-controlling interest's share of net assets, is recognised as goodwill. Movements in the estimated liability after initial recognition are recognised as goodwill.

Foreign currency

i. Functional and presentation currency

The Group financial statements are presented in pound sterling and rounded to thousands.

The Company's functional and presentation currency is pound sterling.

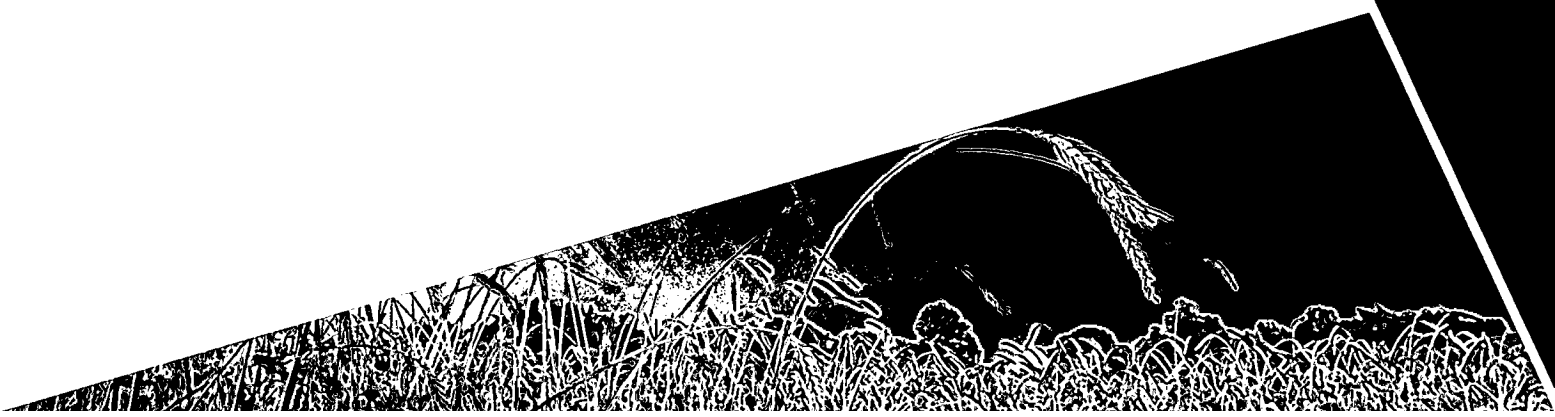
ii. Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions. At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined. Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

All foreign exchange gains and losses are presented in the profit and loss account within 'administrative expenses'.

iii. Translation

The trading results of Group undertakings are translated into sterling at the average exchange rates for the year. The assets and liabilities of overseas undertakings, including goodwill and fair value adjustments arising on acquisition, are translated at the exchange rates ruling at the year-end. Exchange adjustments arising from the retranslation of opening net investments and from the translation of the profits or losses at average rates are recognised in 'Other comprehensive income' and allocated to non-controlling interest as appropriate.



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Statement of accounting policies

Turnover

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

- **Energy operations**

Turnover from the sale of electricity generated by solar farms, wind 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.

- **Healthcare operations**

Turnover 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.

Turnover is recognised at the fair value of the consideration received for healthcare 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.

- **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.

Employee benefits

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, 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

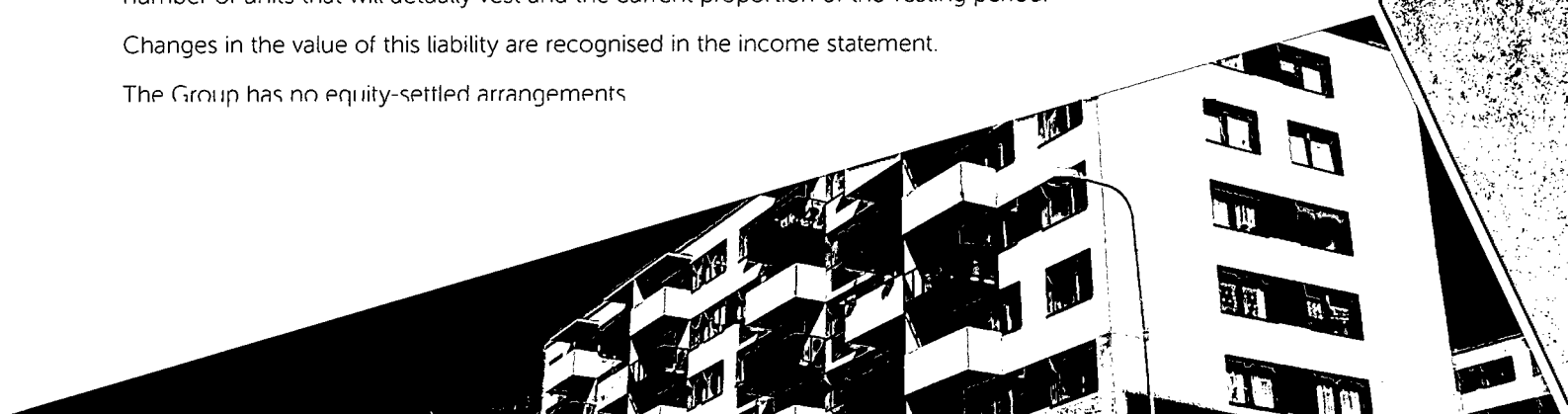
A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals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

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



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Statement of accounting policies

Finance costs

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.

Current and deferred tax

Tax is recognised in the statement of income and retained earnings, except that a change 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 and goodwill

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 the 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 unless the fair value cannot be measured reliably, in which case the value is incorporated as goodwill. Where the fair value of contingent liabilities cannot be reliably measured they are disclosed on the same basis as other contingent liabilities.

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.

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Statement of accounting policies

Tangible fixed assets

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. The estimated useful lives are as follows:

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

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 years
Software	10 years

Amortisation expenses are included in administrative expenses.

Development rights relate to planning consent to build a solar 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.

Leases

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.

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Statement of accounting policies

Investments

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

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.

Stocks

Raw materials, spare parts and consumables are valued at the lower of cost and net realisable value. Where necessary, a provision is made for obsolete, slow-moving and defective stock. Cost is determined on the first-in, first-out (FIFO) method.

Fuel stocks (MBM and litter) are valued on an average cost basis over one to two months and provision for unusable litter is reviewed monthly and applied to off-site stock.

Fuel stock of straw has been valued at the historical cost per tonne of straw. A provision for unusable straw is identified on an individual stack basis and is reviewed monthly. Stocks are used on a first in, first out ("FIFO") basis by age of straw.

Stocks of ash at Fibrophos are valued at the lower of cost and net realisable value to the Group.

Stocks of property development work in progress ("WIP") 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 locations and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over 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.

Accrued income

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

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.



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Statement of accounting policies

Financial instruments

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

Financial assets

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.

Financial liabilities

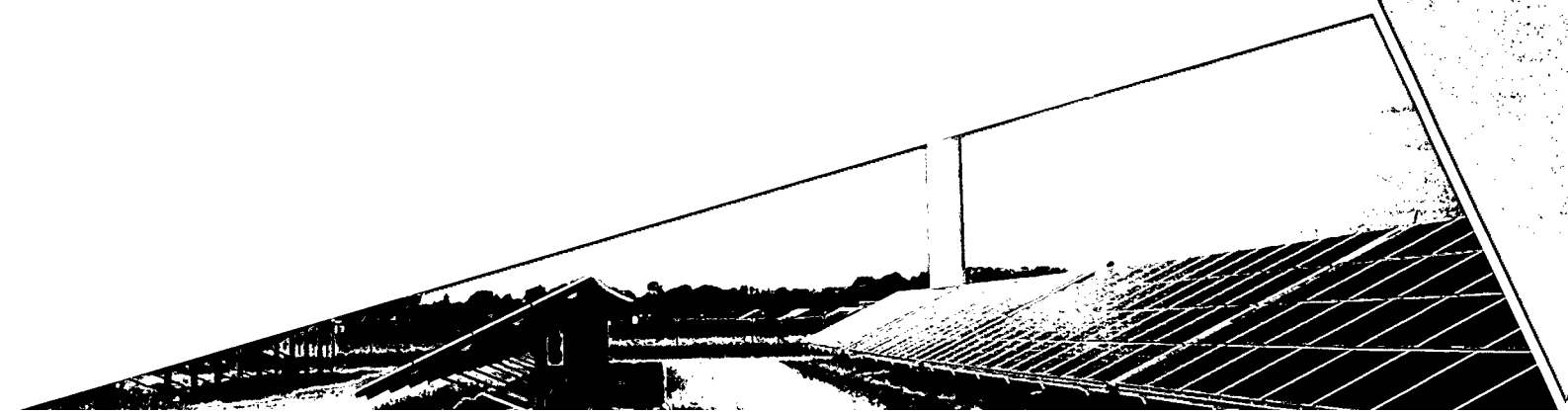
Basic financial liabilities, including trade and other payables, bank loans, loans from fellow Group companies and preference shares, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of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

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.



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Statement of accounting policies

Provisions

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.

Hedging

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 directly in equity. 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 in accordance with the cash flows of the hedged item. Hedge accounting is discontinued when the hedging instrument expires, no longer meets the hedging criteria, the forecast transaction is no longer highly probable, the hedged debt instrument is derecognised or the hedging instrument is terminated.

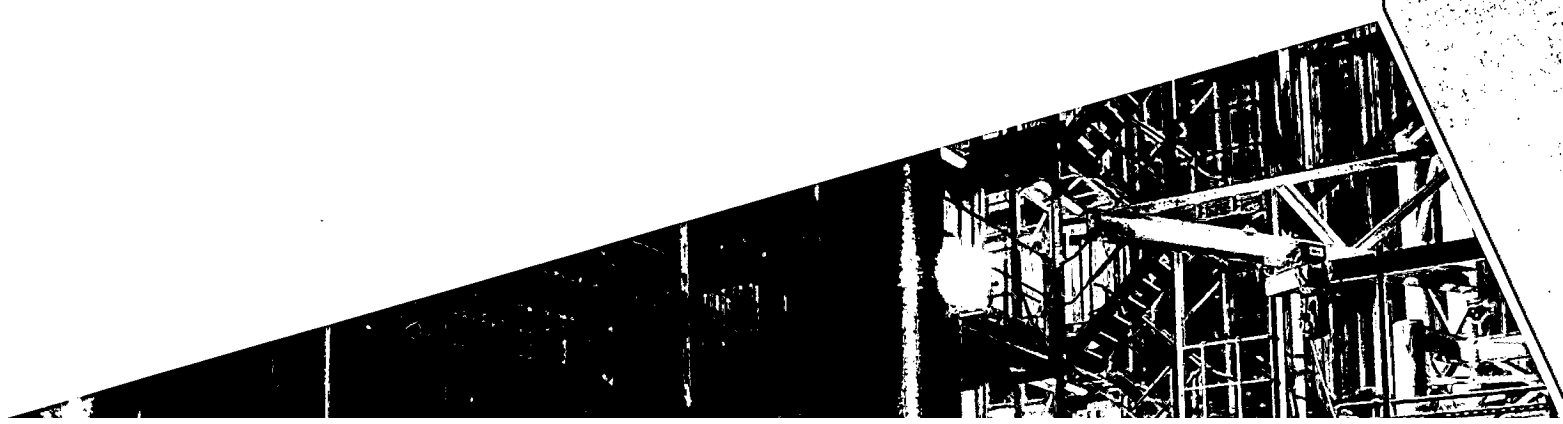
The group has chosen to change the way it accounts for the fair value of its hedging instruments this year removing the CVA (credit value adjustment) component. The prior year figures have been restated to show the effects as if this accounting policy change was in place for the year ended 30 June 2020.

Share capital

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

Non-controlling interests

Non-controlling interests are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.



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Statement of accounting policies

Key accounting judgements and estimates

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 quarterly 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 £3.8m less/more expenditure being charged to the income statement during the period. See note 13 for the carrying amount of the debtors and provisions at 30 June 2021.

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.

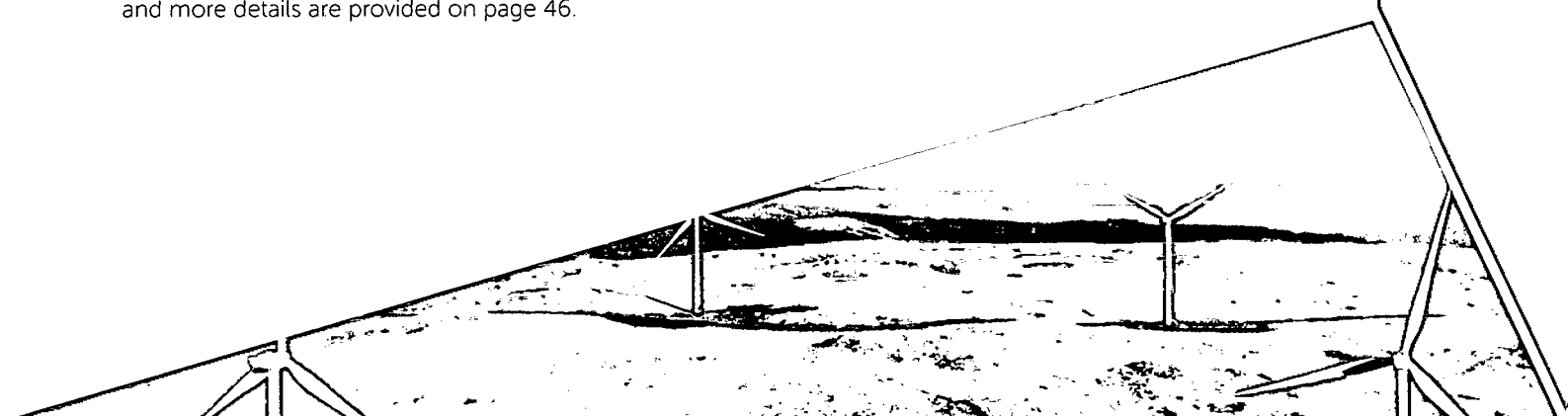
These estimates give rise to judgement as to whether there is a shortfall between the carrying value and the fair value of the balance as at the 30 June 2021. Post year end, management have reviewed the assumptions used to determine the value of property development WIP and have observed no changes in performance that would impact the valuation as at the 30 June 2021. See note 12 for the carrying amount of the property development WIP.

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

Darlington Point Solar Farm Pty Limited "Darlington Point" which is one of the Group's overseas subsidiaries entered into a purchase price agreement (PPA) in 2019. The PPA includes a contract for differences "CfD" whereby Darlington Point 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 page 46.



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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:

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 £2.1m increase/decrease in the provision. See note 17 for the provision recognised at 30 June 2021. Management utilise external expertise to provide an estimated cost to dismantle and have used a discount rate of 2% to reflect the time in value of money and the risks specific to the obligation.

Australian solar farms:

A large solar farm based in Australia, has recently been connected to the grid and a provision has been included for 2021, calculated by an external expert. A discount rate of 2.28% has been used to reflect the time value of money and the risks specific to the obligation. 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 £1.25m/£0.9m increase/decrease in the provision. See note 17 for the provision recognised at 30 June 2021.

UK and French Solar (judgment):

Management believe that given the nature of these particular assets, the lessor may wish 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 restoration obligation. 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 extend 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 rate 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 believes there is sufficient headroom to support the value of goodwill and investments 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 £6m less/more expenditure being charged to the income statement during the period. See note 8 for the carrying amount of the goodwill and investments at 30 June 2021.

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Notes to the financial statements for the year ended 30 June 2021

1 Turnover

Analysis of turnover by category

	2021	(restated) 2020
	£'000	£'000
Lending activities	56,552	70,363
Energy operations – solar, reserve power and wind	179,820	155,654
Energy operations – biomass and landfill	141,826	136,097
Healthcare operations*	42,266	28,343
Fibre operations	4,838	–
	425,302	390,457

*Included in income from Healthcare operations is £11.2m (2020: £7.1m) relating to the sale of retirement village units and £31.1m (2020: £20.3m) in relation to services rendered.

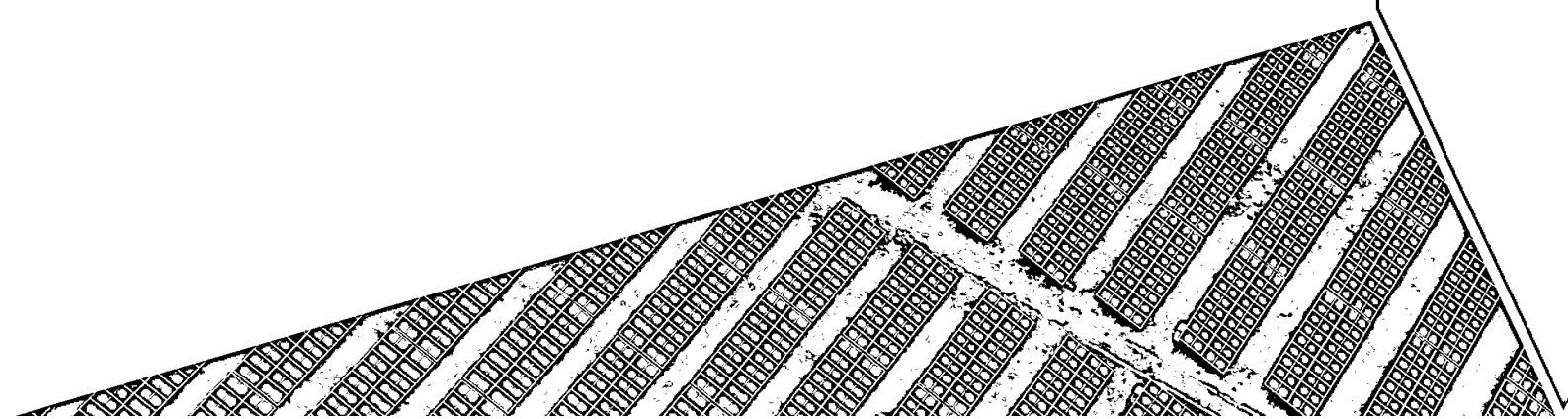
Analysis of turnover by geography

	2021	(restated) 2020
	£'000	£'000
United Kingdom	384,799	367,034
Europe	31,893	23,423
Rest of world	8,610	–
	425,302	390,457

Other income

	2021	(restated) 2020
	£'000	£'000
Liquidated damages and insurance proceeds	9,454	4,718

Note 26 details the prior period adjustments.



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Notes to the financial statements for the year ended 30 June 2021

2 Operating profit

This is stated after charging/(crediting):

	2021 £'000	(restated) 2020 £'000
Amortisation of intangible assets (note 8)	34,991	33,989
Depreciation of tangible assets (note 9)	85,917	73,610
Auditors' remuneration – Company and the Group's consolidated financial statements	146	199
Auditors' remuneration – audit of Company's subsidiaries	1,134	940
Auditors' remuneration – non-audit services	513	362
Auditors' remuneration – tax compliance services	672	234
Difference on foreign exchange	4,402	392
Operating lease rentals	7,502	8,980

Note 26 details the prior period adjustments.

3 Staff costs

	2021 £'000	2020 £'000
Wages and salaries	41,383	21,576
Social security costs	3,809	2,695
Other pension costs	1,676	1,240
	46,868	25,511

The Group provides a defined contribution schemes for its employees in the UK. The amount recognised as an expense for the defined contribution scheme is shown in the table above.

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

	2021 Number	2020 Number
Production	699	392
Administration	348	287
Directors	3	3
	1,050	682

The Company had no employees other than Directors during the period ended 30 June 2021 (2020: none).



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Notes to the financial statements for the year ended 30 June 2021

4 Directors' remuneration

	2021	2020
	£'000	£'000
Emoluments	163	185

During the year no pension contributions were made in respect of the directors (2020: none).

The Group has no other key management (2020: none).

5 Employee share scheme

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

	2021 Number of awards	2020 Number of awards
Opening outstanding balance	1,640,000	1,030,000
Granted during the period	274,751	610,000
Closing outstanding balance	1,914,751	1,640,000

The total charge for the year was £1,334,000 (2020: £838,000) and at the 30 June 2021 there was a liability of £1,334,000 included within creditors greater than one year (2020: £838,000).

6 Interest

Interest receivable and similar income	2021	(restated) 2020
	£'000	£'000
Interest on bank balances	997	148

Interest payable and similar expenses	2021	(restated) 2020
	£'000	£'000
Interest on bank borrowings	34,378	46,403
Amortisation of issue costs on bank borrowings	1,103	2,546
Losses on derivative financial instruments	586	1,924
	36,067	50,873

Note 26 details the prior period adjustments.

4 | FINANCIAL STATEMENTS 30 JUNE 2021

Notes to the financial statements for the year ended 30 June 2021

7 Tax on loss

a) Analysis of charge in year

	2021 £'000	(restated) 2020 £'000
Current tax:		
UK corporation tax charge on loss for the year	1,648	257
French corporate income tax	–	792
Adjustments in respect of prior periods	(2,866)	(423)
Total current tax	(1,218)	626
Deferred tax:		
Origination and reversal of timing differences	2,074	1,375
Adjustments in respect of prior periods	(4,204)	3,818
Effect of change in tax rates	11,491	3,505
Total deferred tax	9,361	8,698
Tax charge on loss on ordinary activities	8,143	9,324

b) Factors affecting tax charge for the year

The tax assessed for the year is higher (2020: higher) than the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained below:

	2021 £'000	(restated) 2020 £'000
Loss before tax	(21,170)	(24,285)
Loss before tax multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	(4,022)	(4,614)
Effects of:		
Expenses not deductible for tax purposes	16,076	21,592
Effects of foreign tax	1,022	–
Deferred tax not recognised	–	(237)
Income not taxable for tax purposes	(9,351)	(14,353)
Adjustments in respect of prior periods	(7,071)	3,395
Effects of change in tax rates	11,489	3,541
Total tax charge for the year	8,143	9,324

c) Factors that may affect future tax charge

The tax rate applicable for this accounting year is 19%, the main rate of corporation tax since 1 April 2017. In March 2021, the UK Government announced that from 1 April 2023, the main rate of Corporation Tax will be increased to 25%. Consequently, deferred tax has been calculated at the year end using a tax rate of 25%.

Note 26 details the prior period adjustments.

4 | FINANCIAL STATEMENTS 30 JUNE 2021

Notes to the financial statements for the year ended 30 June 2021

8 Intangible assets

	Software	Goodwill (restated)	Development rights	Total
Group	£'000	£'000	£'000	£'000
Cost				
At 1 July 2020 (restated)	–	704,279	10,297	714,576
Acquired through business combinations (note 27)	12	–	–	12
Additions	885	53,938	–	54,823
Disposals	–	(1,849)	–	(1,849)
Gain/(loss) on translation	–	739	(81)	658
At 30 June 2021	897	757,107	10,216	768,220
Accumulated amortisation				
At 1 July 2020 (restated)	–	120,290	625	120,915
Disposals	–	(422)	–	(422)
Gain/(loss) on translation	–	(14)	–	(14)
Charge for the year	40	34,542	409	34,991
At 30 June 2021	40	154,396	1,034	155,470
Net book value				
At 30 June 2021	857	602,711	9,182	612,750
At 30 June 2020 (restated)	–	583,988	9,672	593,660

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 2021 can be found in note 27.

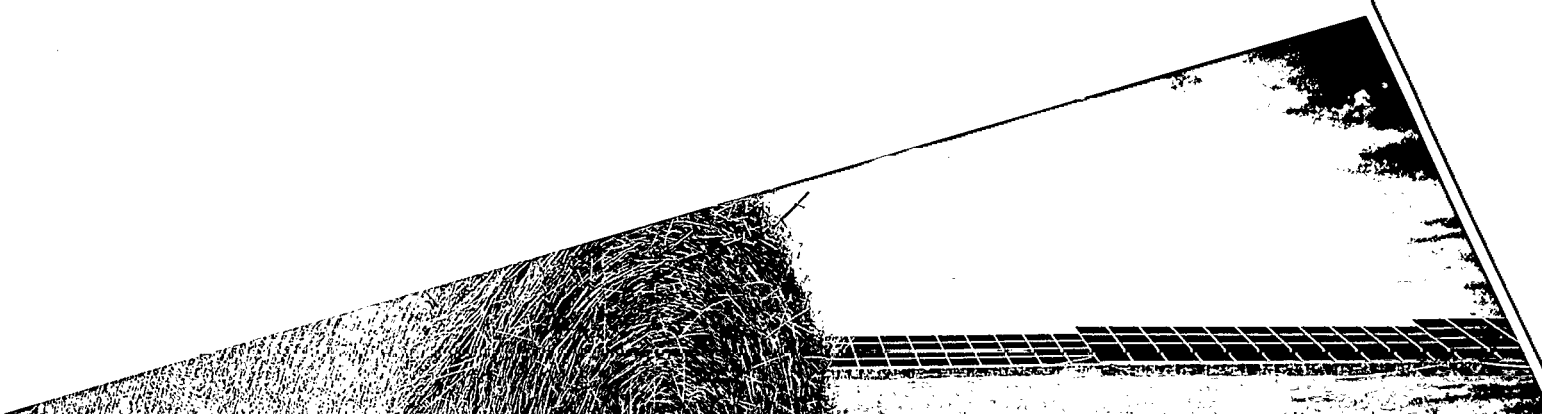
During the year the group disposed of a solar site, as a result £422,359 of accumulated goodwill amortisation was written back in the current year profit and loss and £1,849,163 of goodwill was realised on the sale. Gain on sale recognised in the profit and loss was £10,480,000.

No impairment has been recognised on goodwill (2020: none).

No assets have been pledged as security for liabilities at year end (2020: none).

The Company had no intangible assets at 30 June 2021.

Note 26 details the prior period adjustments.



4 | FINANCIAL STATEMENTS 30 JUNE 2021

Notes to the financial statements for the year ended 30 June 2021

9 Tangible assets

	Land and buildings	Power stations	Plant and machinery (restated)	Network assets	Assets under construction	Total (restated)
Group	£'000	£'000	£'000		£'000	£'000
Cost						
At 1 July 2020 (restated)	5,997	165,165	1,372,190	–	235,817	1,779,169
Additions	2,214	5,302	68,092	–	44,464	120,072
Acquired through business combinations (note 27)	3,464	146,664	39,678	5,926	735	196,467
FX/fair value movement	(4)	–	(21,446)	–	–	(21,450)
Transfers	380	338	215,659	21,362	(237,739)	–
Disposals	(3,520)	(2)	(9,248)	–	–	(12,770)
At 30 June 2021	8,531	317,467	1,664,925	27,288	43,277	2,061,488
Accumulated depreciation						
At 1 July 2020	902	77,680	353,932	–	–	432,514
Charge for the year	1,176	12,380	71,071	1,290	–	85,917
Disposals	(59)	(1)	(8,330)	–	–	(8,390)
FX movement	2,391	–	(2,114)	–	–	277
At 30 June 2021	4,410	90,059	414,559	1,290	–	510,318
Net book value						
At 30 June 2021	4,121	227,408	1,250,366	25,998	43,277	1,551,170
At 30 June 2020 (restated)	5,095	87,485	1,018,258	–	235,817	1,346,655

Included within tangible assets are capitalised finance costs directly attributable to bringing the asset into use. The net carrying amount of assets held under finance leases included in plant, machinery, fixtures and fittings is £51,534,000 (2020: £53,763,000).

The Company had no tangible assets at 30 June 2021.

Note 26 details the prior period adjustments.



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Notes to the financial statements for the year ended 30 June 2021

10 Investments

Group	Joint venture £'000	Unlisted investments £'000	Total £'000
Cost and net book value			
At 1 July 2020	11,201	1,067	12,268
Additions	–	30,066	30,066
Disposals	(10,778)	(20,133)	(30,911)
Dividends received	(1,500)	–	(1,500)
Share of profit after tax	1,077	–	1,077
At 30 June 2021	–	11,000	11,000
At 30 June 2020	11,201	1,067	12,268

On the 1st of March 2021 one of the Group's subsidiaries disposed of its holding in its joint venture for a sale price of £28,880,000. The Group's share of operating profit is included in the consolidated results, together with a profit on disposal of £18,102,000.

Company	Subsidiary undertakings £'000	Total £'000
Cost		
At incorporation	–	–
Additions	2,311,678	2,311,678
Disposals	–	–
At 30 June 2021	2,311,678	2,311,678
Accumulated impairments		
At incorporation	–	–
Reversal of impairments	–	–
Impairments	195,312	195,312
At 30 June 2021	195,312	195,312
Net book value		
At 30 June 2021	2,116,366	2,116,366
At incorporation	–	–

Details of related undertakings are shown in note 29. The additions of subsidiary undertakings in Fern Trading Limited (formerly Fern Trading Group Limited) relate to a group reorganisation that occurred on 10 July 2020. Fern Trading Limited (formerly Fern Trading Group Limited), a newly incorporated company, acquired 100% of the share capital of Fern Trading Group Limited (formerly Fern Trading Limited) in a share for share exchange. On the 3rd of November 2020, as part of the same group reorganisation Fern Trading Limited (formerly Fern Trading Group Limited) acquired 100% of the share capital of the Fibre group of companies from Fern Trading Group Limited (formerly Fern Trading Limited).

4 | FINANCIAL STATEMENTS 30 JUNE 2021

Notes to the financial statements for the year ended 30 June 2021

Unlisted investments comprise the Group's holding of the members' capital of Terido LLP, a lending business, and its shareholding in Bracken Trading Limited. Fern co-founded Terido 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 Terido 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 2021 was £Nil (30 June 2020: £nil). The directors do not consider Terido LLP or Bracken Trading Limited to be subsidiary undertakings of Fern Trading Limited (formerly Fern Trading Group Limited).

11 Cash at bank and in hand

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	
	2021	2020
	£'000	£'000
Cash at bank and in hand	117,141	150,452
Restricted cash	55,337	56,236
Cash at bank and in hand	172,478	206,688

The Company had a cash balance of £1,523,459 as at 30 June 2021, none of which was restricted.

12 Stocks

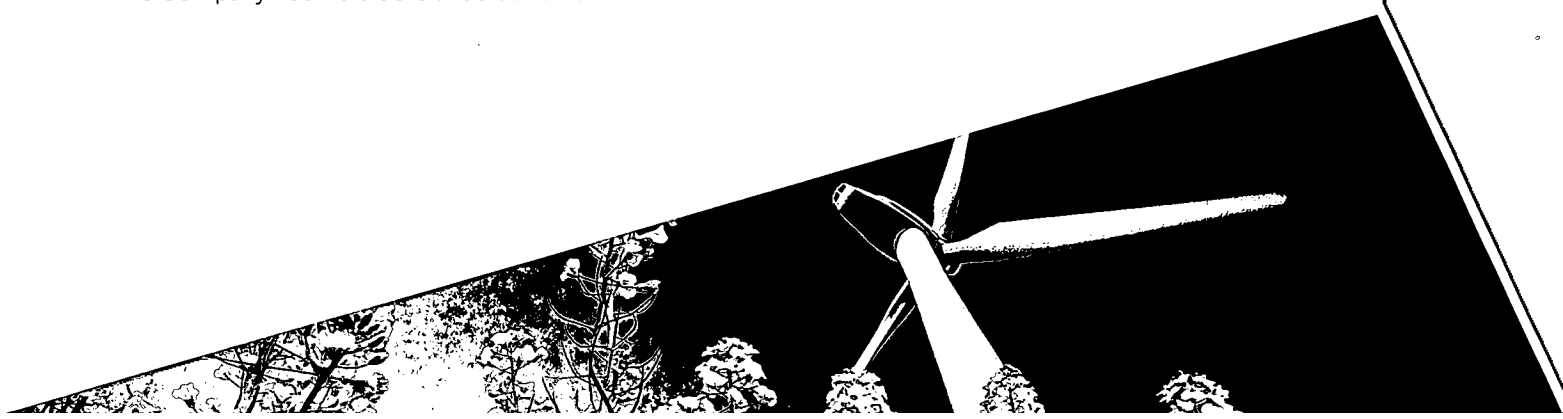
	Group	
	2021	2020
	£'000	£'000
Ash stock	2,195	2,594
Fuel, spare parts and consumables	18,593	17,172
Property development WIP	73,923	55,040
	94,711	74,806

The amount of stocks recognised as an expense during the year was £41,212,000 (2020: £46,899,000).

Included in the fuel, spare parts and consumables stock value is a provision of £459,000 for unusable fuel stock (2020: £708,000).

There has been no impairment recognised during the year on stock (2020: none). No inventory has been pledged as security for liabilities (2020: none).

The Company had no stocks at 30 June 2021.



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Notes to the financial statements for the year ended 30 June 2021

13 Debtors

	Group		Company
	2021	2020	2021
	£'000	£'000	£'000
Amounts falling due after one year			
Loans and advances to customers	16,128	179,183	–
Amounts falling due within one year			
Loans and advances to customers	369,384	478,979	–
Trade debtors	16,121	15,977	8
Amounts owed by related parties (note 24)	3,950	–	12,751
Other debtors	27,696	5,032	5,008
Corporation tax	6,603	4,233	–
Derivative financial instruments (note 21)	6,469	14,901	–
Prepayments and accrued income	154,375	144,244	32,616
	600,726	842,549	50,383

Loans and advances to customers are stated net of provisions of £18,199,000 (2020: £3,323,000).

Prepayments and accrued income are stated net of provisions of £13,741,000 (2020: £7,528,000).

No interest is charged on amounts owed by group undertakings, as the outstanding balances are unsecured and repayable on demand (2020: none).

Note 26 details the prior period adjustments.



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Notes to the financial statements for the year ended 30 June 2021

14 Creditors: amounts falling due within one year

	Group		Company
	2021	2020	2021
	£'000	£'000	£'000
Bank loans and overdrafts (note 16)	47,386	99,788	–
Trade creditors	23,390	15,403	16
Other loans	–	8,359	–
Other taxation and social security	–	19	–
Other creditors	61,165	19,601	–
Amounts due to related parties (note 24)	–	–	20,203
Finance leases (note 16)	3,147	2,512	–
Derivative financial instruments (note 21)	143	20,071	–
Accruals and deferred income	72,087	67,060	2,705
	207,318	232,813	22,924

15 Creditors: amounts falling due after more than one year (restated)

	Group	
	2021	2020
	£'000	£'000
Amounts falling due between one and five years		
Bank loans and overdrafts (note 16)	247,297	269,223
Finance leases (note 16)	6,125	2,078
Derivative financial instruments (note 21)	–	2,658
Other creditors	5,415	9,138
	258,837	283,097

	Group	
	2021	(restated) 2020
	£'000	£'000
Amounts falling due after more than five years		
Bank loans and overdrafts (note 16)	577,235	714,480
Finance leases (note 16)	24,495	28,928
Derivative financial instruments (note 21)	42,772	84,819
	644,502	828,227
Total creditors falling due after more than one year	903,339	1,111,324

The Company has no creditors due in greater than one year.

Amounts owed to related parties are unsecured, non-interest bearing and repayable on demand.

Note 26 details the prior period adjustments.

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Notes to the financial statements for the year ended 30 June 2021

16 Loans and other borrowings

	2021	2020
Group	£'000	£'000
Due in one year	47,386	99,788
Due between one and five years	247,297	269,223
Due in more than five years	577,235	714,480
	871,918	1,083,491

The Company had no bank loans at 30 June 2021.

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

	Interest rate	2021	2020
		£'000	£'000
Viners Energy Limited	6 month LIBOR plus 1.60%	438,140	488,179
Cedar Energy and Infrastructure Limited	LIBOR/EURIBOR plus 2.00%	–	32,008
Elios Energy 2 Limited	3 month EURIBOR plus 1.20%	8,613	10,083
Elios Energy 2 Limited	Fixed rate 1.70%	26,382	30,250
Boomerang Energy Limited	6 month LIBOR plus 1.50%	295,344	316,627
Darlington Point Solar Farm Pty Limited	1 month BBSY plus 1.85%	–	84,682
Melton Renewable Energy UK Limited	6 month LIBOR plus 2.35%	103,439	121,662
		871,918	1,083,491

SONIA will be replacing LIBOR as the effective interbank lending rate system from 1 January 2022, the Group is working with its lenders to ensure a smooth transition to the new system. The rate change will result in no commercial impact to the business.

Finance leases

The future minimum finance lease payments are as follows:

	2021	2020
	£'000	£'000
Payments due:		
Not later than one year	3,166	4,034
Later than one year and not later than five years	6,196	7,604
Later than five years	72,013	69,282
Total gross payments	81,375	80,920
Less: finance charges	(47,609)	(47,402)
Carrying amount of the liability	33,766	33,518

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

The Company had no finance leases at 30 June 2021.

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Notes to the financial statements for the year ended 30 June 2021

17 Provisions for liabilities

Group	(restated) Decommissioning provision £'000	(restated) Deferred tax £'000	(restated) Total £'000
At 1 July 2020 (restated)	17,453	36,484	53,937
Increase recognised in profit and loss	(239)	8,046	7,807
Increase recognised in fixed assets	3,373	–	3,373
Unwinding of discount	262	–	262
Adjustment relating to prior period adjustment	101	(4,203)	(4,102)
Gain on translation	(511)	(2,182)	(2,693)
At 30 June 2021	20,439	38,145	58,584

The decommissioning provision is held to cover future obligations to return land on which there are operational wind farms and solar farms, to their original condition. The amounts are not expected to be utilised for in excess of 25 years. Note 26 details the prior period adjustments.

The Company had no provisions at 30 June 2021.

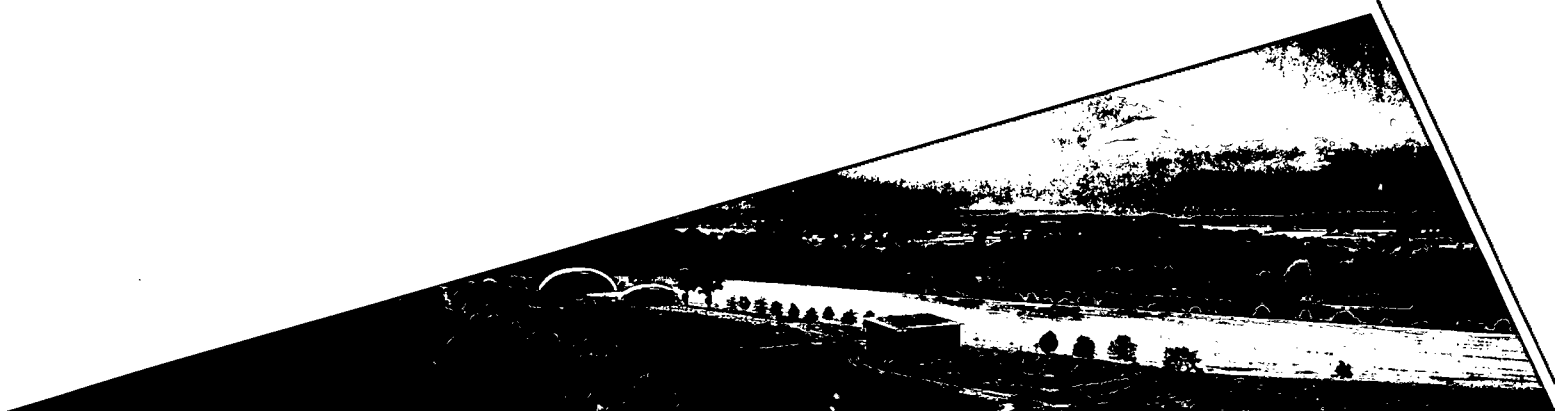
18 Called up share capital and other reserves

The Group and Company have the following share capital:

Group	2021 £'000	2020 £'000
Allotted, called-up and fully paid		
1,496,755,258 (2020: 1,384,345,215)	149,676	138,435
Ordinary shares of £0.10 each		

Company	2021 £'000
Allotted, called-up and fully paid	
1,496,755,258	149,676
Ordinary shares of £0.10 each	

During the year the Group issued 1,501,199,278 (2020: 63,139,616) ordinary shares of £0.10 each for an aggregate nominal value of £150,120,000 (2020: £6,314,000). Of the total shares issued, 1,384,345,214 were issued as consideration for a share for share exchange that resulted in Fern Trading Limited (formerly Fern Trading Group Limited) becoming the parent company of the Group. The shares issued gave rise to a premium of £1,993,500,000. This transaction met the conditions required to qualify for merger relief. As such the premium resulting from the share for share exchange share issue is presented in the merger reserve rather than attributed to the share premium account. This accounting treatment also applies to shares issued by Fern Trading Group Limited (formerly Fern Trading Limited), presented as group share



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Notes to the financial statements for the year ended 30 June 2021

issues in prior periods. Of the remaining shares issued during the year, total consideration of £2,316,695,000 (2020: £98,270,000) was paid for the shares, giving rise to a premium of £173,118,000 (2020: £91,956,000). During the year the Group purchased 4,444,020 (2020: 1,965,086) of its own ordinary shares of £0.10 each with an aggregate nominal value of £444,000 (2020: £196,000). Total consideration of £6,844,000 (2020: £3,026,000) was paid for the shares, giving rise to a premium of £6,399,000 (2020: £2,830,000). The shares were immediately cancelled after purchase.

The Group has adopted predecessor accounting principles as it was formed as part of a group reconstruction, therefore the share capital and share premium account are treated as if they had always existed. Movements 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 1,501,199,278 (2020: 63,139,616) ordinary shares of £0.10 each for with an aggregate nominal value of £150,120,000 (2020: £6,314,000). Total consideration of £2,316,695,000 (2020: £98,270,000) was paid for the shares, giving rise to a premium of £2,166,575,000 (2020: £91,956,000) of which £1,993,500,000 is presented in the merger reserve, as this transaction met the conditions required to qualify for merger relief. During the year the company purchased 4,444,020 (2020: 1,965,086) of its own ordinary shares of £0.10 each with an aggregate nominal value of £444,000 (2020: £196,000). Total consideration of £6,844,000 (2020: £3,026,000) was paid for the shares, giving rise to a premium of £6,399,000 (2020: £2,830,000). The shares were immediately cancelled after purchase.

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

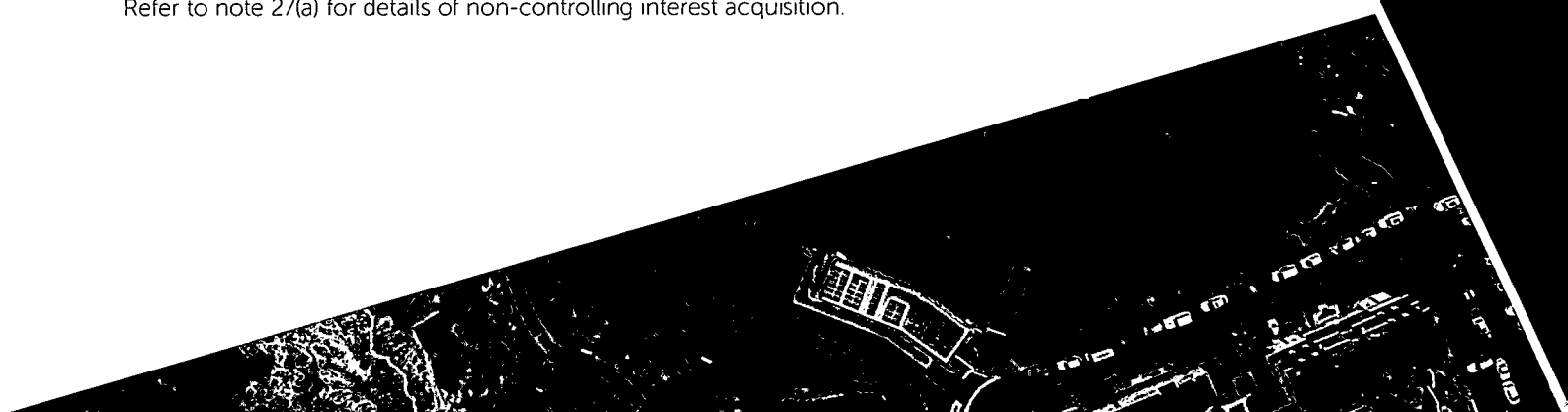
The merger reserve arises from the difference between the fair value of the shares issues and the book values of the subsidiaries acquired.

19 Non-controlling interests

The movement in non-controlling interests was as follows:

Group	Group		
	Note	2021 £'000	2020 £'000
At 1 July		9,570	15,438
Sale of subsidiary undertakings and acquisition of non-controlling interest	27	(1,842)	(2,500)
Total comprehensive loss attributable to non-controlling interests		(4,007)	(3,368)
At 30 June		3,721	9,570

Refer to note 27(a) for details of non-controlling interest acquisition.



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Notes to the financial statements for the year ended 30 June 2021

20 Contingencies

Across the wind portfolio, the Group has committed to make ongoing contributions to community benefit funds which work to support the local communities where the wind farms are located. The commitment is to pay between £2,000 to £5,000 per MW of installed capacity for each site (inflation-indexed), depending on specific planning conditions, over the operating lives of the wind farms, which amounts to an annual commitment of £1,028,000 (2020: £1,028,000) across all sites. 23 (2020: 24) of the Group's UK solar farms also make ongoing community benefit contributions, amounting to an annual commitment of £260,000 (2020: £260,000) (inflation-indexed). The terms of these payments vary and are subject to change by individual site planning requirements, but they are generally in the range of £0.5k to £1.5k per MW of installed capacity annually, for between 7 and 24 years after the start of commercial operations.

21 Financial instruments

Carrying amounts of financial assets and liabilities:

Group	Group	Company	
	2021 £'000	(restated) 2020 £'000	2021 £'000
Carrying amount of financial assets			
Debt instruments measured at amortised cost	433,280	679,171	17,767
Measured at fair value through profit and loss	6,469	14,901	–
Carrying amount of financial liabilities			
Measured at amortised cost	956,384	1,169,510	16
Measured at fair value through other comprehensive income (restated)	42,772	107,548	–

Note 26 details the prior period adjustments.

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Notes to the financial statements for the year ended 30 June 2021

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

Currency risk

The Group presents its consolidated financial statements in sterling and conducts business in a number of other currencies, principally the 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 earning and net assets of its non-sterling operations

Transactional exposures

Transactional exposures arise from administrative and other expense in currencies other than the Group's presentational currency (Sterling). The Group enters in to 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 2021 the fair value of the foreign currency contracts was an asset of £6,469,000 (2020: £14,901,000) and a liability of £143,000 (2020: £22,729,000).

Translational exposures

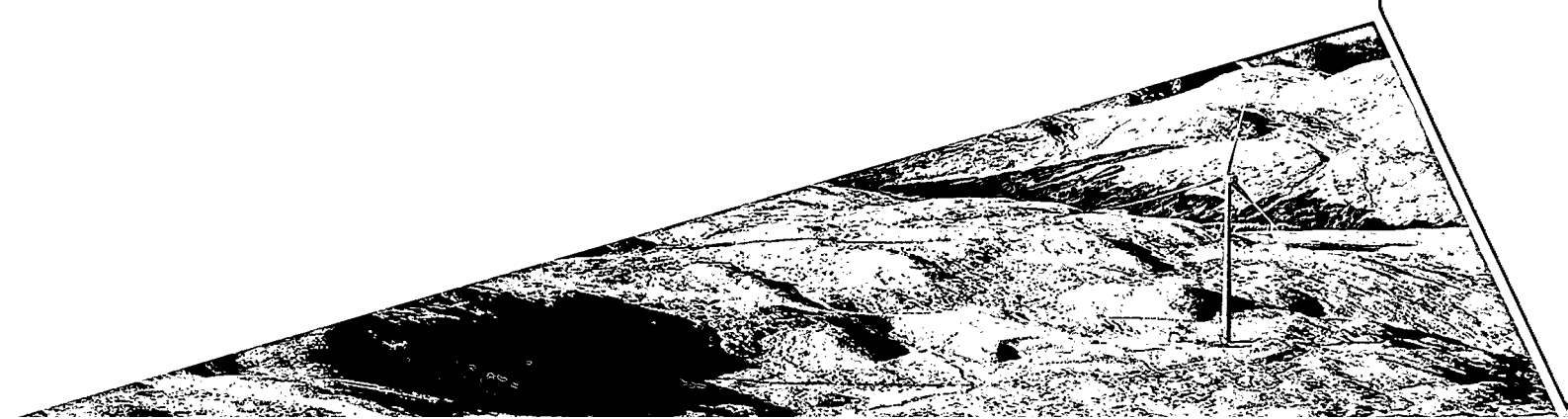
Balance sheet translational exposures arise on consolidation on the retranslation of the balance sheet of non-sterling operations into sterling, the Group's presentational currency. The level of exposure is reviewed by management and the potential foreign exchange movement is within an acceptable level of risk and therefore, typically, the Group's policy to 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 2021 the outstanding interest rate swaps have a maturity in excess of five years and the fair value is a liability of £42,629,000 (2020: £84,819,000 restated).

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.



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Notes to the financial statements for the year ended 30 June 2021

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 risk 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 debt. Borrowing is on a long-term basis, whereas our revenue is received throughout the year, as well as interest and redemptions on our short-term loan book. Cash flow risk is managed through ongoing cash flow forecasting to ensure receipts are sufficient to meet liabilities as they fall due.

22 Capital and other commitments

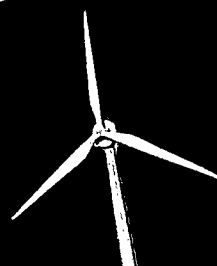
At the year end the Group had capital commitments as follows:

Group	2021 £'000	2020 £'000
Contracted for but not provided in these financial statements	90,156	92,879
Undrawn facilities on loans to borrowers	92,683	101,900

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

	2021		2020	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Payments due:				
Not later than one year	8,031	749	6,945	335
Later than one year and not later than five years	30,369	1,686	28,023	389
Later than five years	118,932	9	114,697	9
	157,332	2,444	149,665	733

The Group had no other off-balance sheet arrangements (2020: none).



4 | FINANCIAL STATEMENTS 30 JUNE 2021

Notes to the financial statements for the year ended 30 June 2021

Under sections 394A and 479A of the Companies Act 2006, the parent company Fern Trading Limited (formerly Fern Trading Group Limited) has guaranteed all outstanding liabilities to which the subsidiaries list on page 81 were subject to at the 30 June 2021 until they are satisfied in full. These liabilities total £1,158,610,000. Such guarantees are enforceable against Fern Trading Limited (formerly Fern Trading Group Limited) by any person to whom any such liability is due.

The Company had no capital or other commitments at 30 June 2021.

23 Events after the end of the reporting period

On 2 July 2021, Fern Power Company Limited, a subsidiary of Fern Trading Limited (formerly Fern Trading Group Limited), acquired 100% of nine reserve power sites. The company paid total cash consideration of £18, for net assets of £18. No goodwill was recognised upon acquisition.

On 27 August 2021, Fern Trading Development Limited, a subsidiary of Cedar Energy and Infrastructure Limited acquired 100% of Dulacca Wind Farm for £115.6m (AUD \$219.0m). It is a construction ready 180MW wind farm located in Queensland, Australia. RES Australia is the developer of the project. Construction is expected to be completed in August 2023. Given that this has been a recent acquisition the identifiable assets and liabilities at completion and goodwill have yet to be finalised. The Directors therefore consider it impractical to be able to disclose this information in these financial statements. The most recent management accounts as at 30 September 2021, showed aggregated net assets of £114m.

On 22 October 2021, Oldhall Energy Recovery Limited, a subsidiary of Cedar Energy and Infrastructure Limited acquired 100% share capital of Doveryard Limited. The Company paid a total cash consideration of £9,097,000. Given that this has been a recent acquisition the identifiable assets and liabilities at completion and goodwill have yet to be finalised. The Directors therefore consider it impractical to be able to disclose this information in these financial statements. The most recent management accounts as at the 31 October 2021 showed aggregated net liabilities of £1.8m.

On 28 October 2021, Fern Trading Development Limited, a subsidiary of Cedar Energy and Infrastructure Limited, received an advanced payment of £45,000,000 for the sale of Nordic Power Development Limited, its immediate subsidiary. This deposit is interest bearing and repayable in the event that the sale is unsuccessful.

4 | FINANCIAL STATEMENTS 30 JUNE 2021

Notes to the financial statements for the year ended 30 June 2021

24 Related party transactions

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 £74,000 (2020: £62,000) were received by the Group for management and accountancy services provided to Yorkshire Windpower Limited, a joint venture of the Group. Yorkshire Windpower Limited was sold by the Group on the 1st of March 2021, and therefore at the year end £Nil (2020: £Nil) was outstanding.

During the year, fees of £61,154,000 (2020: £48,229,000) 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 £16,000 (2020: £28,000) by the Group. At the year end, an amount of £219,000 (2019: £44,000) was outstanding which is included in trade creditors.

The Group is entitled to a profit share as a result of its investment in Terido LLP, a related party due to key management personnel in common. In 2021 a share of profit equal to £449,000 (2020: £945,000) has been recognised by the Group. At the year end, the Group has an interest in the member's capital of £11,000,000 (2020: £1,067,000) and accrued income due of £479,000 (2020: £1,096,000).

The Group engages in lending activities which include balances provided to related parties. Regarding entities with key management personnel in common, loans of £173,224,000 (2020: £208,870,000), accrued income of £26,203,000 (2020: £24,807,000) and deferred income of £101,000 (2020: £1,253,000) were outstanding at year end. During the year interest income of £17,581,000 (2020: £30,163,000) and fees of £536,000 (2020: £902,000) were recognised in relation to these loans.

During the year the Group acquired 7 reserve power companies from companies managed by Octopus Investments Limited, a related party. See note 27 f) for details of the companies acquired.

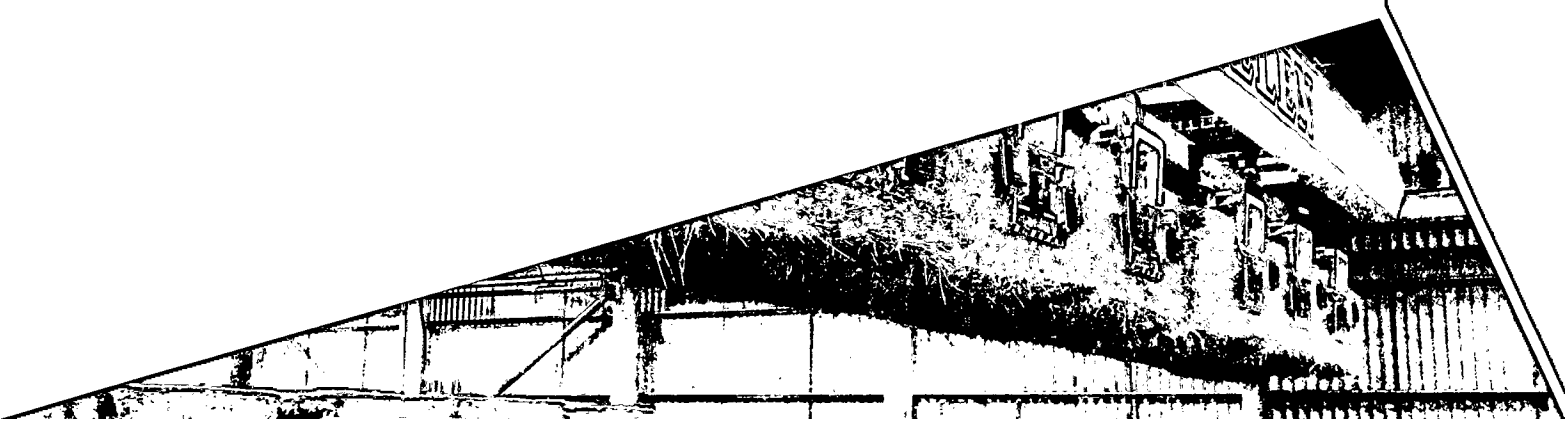
As at 30 June 2021 £3,950,275 (2020: £Nil) was owed to the Company by Bracken Trading Limited, a related party by key management personnel in common.

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.

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

25 Ultimate parent company and controlling party

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



4 | FINANCIAL STATEMENTS 30 JUNE 2021

Notes to the financial statements for the year ended 30 June 2021

26 Prior period adjustments

a) Accounting policy fair value adjustment – hedge accounting

The Group currently hold a number of derivative assets on the balance sheet at fair value, accounted for using hedge accounting. For the year ended 30 June 2021 the Group has elected to change the way it estimates fair value of its Derivative Financial Instruments and has adopted the 'close-out' method to reflect current market practise and more closely align its accounting policies to those of its peers. As this is considered an accounting policy change under FRS102 it is required that the prior year statements be restated to reflect the change as though this change in fair value estimate had been applied in previous years.

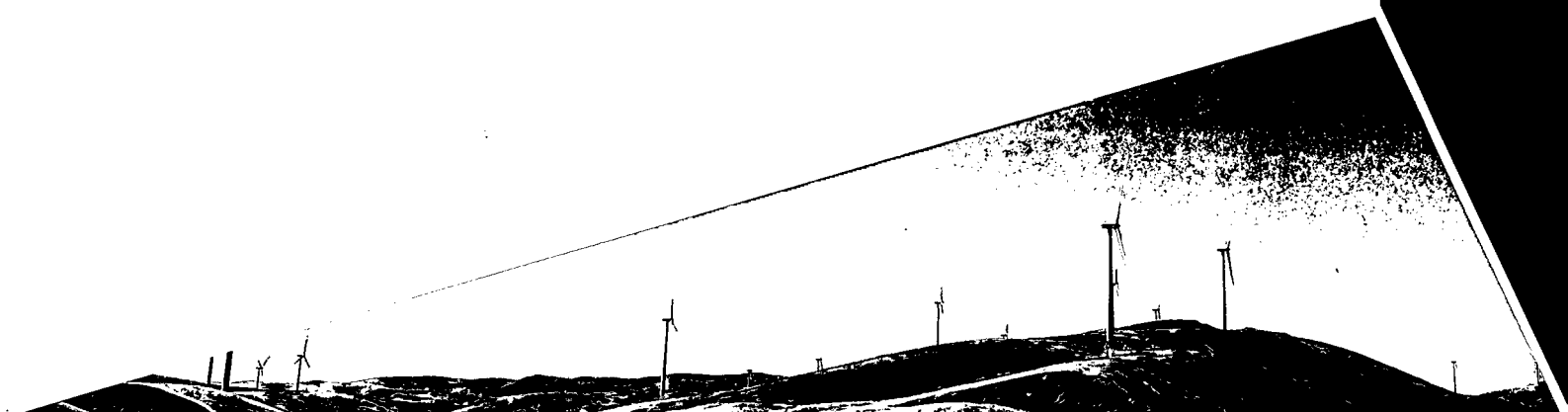
A summary of the impact of the accounting policy change is provided below:

Group	Year ended 30 June 2019 (as stated)	Adjustments	Year ended 30 June 2019 (restated)
	£'000	£'000	£'000
Cash flow hedge	(17,921)	(15,883)	(33,804)
Interest payable and similar expense	71,608	(2,240)	69,368
Derivative liability	(39,388)	(4,529)	(43,917)

Group	Year ended 30 June 2020 (as stated)	Accumulated adjustments	Year ended 30 June 2020 (restated)
	£'000	£'000	£'000
Cash flow hedge	(45,153)	(18,684)	(63,837)
Interest payable and similar expense	51,388	(515)	50,873
Derivative liability	(79,651)	(5,168)	(84,819)
Deferred tax creditor	34,837	1,647	36,484
Deferred tax expense recognised through other comprehensive income	4,131	(1,647)	2,484

b) Reclassification of other income

During the audit for the year ended 30 June 2021, it was brought to management's attention that other income relating to £4,718,000 had been incorrectly classified as turnover. Management have reviewed all sources of income and subsequently disclosed other income separately on the consolidated statement of comprehensive income, as well as in the relevant notes. Comparative figures for the year ended 30 June 2020 have been restated. Other income includes liquidated damages and any insurance proceeds. Refer to Note 1 for the split of other income.



4 | FINANCIAL STATEMENTS 30 JUNE 2021

Notes to the financial statements for the year ended 30 June 2021

c) Goodwill

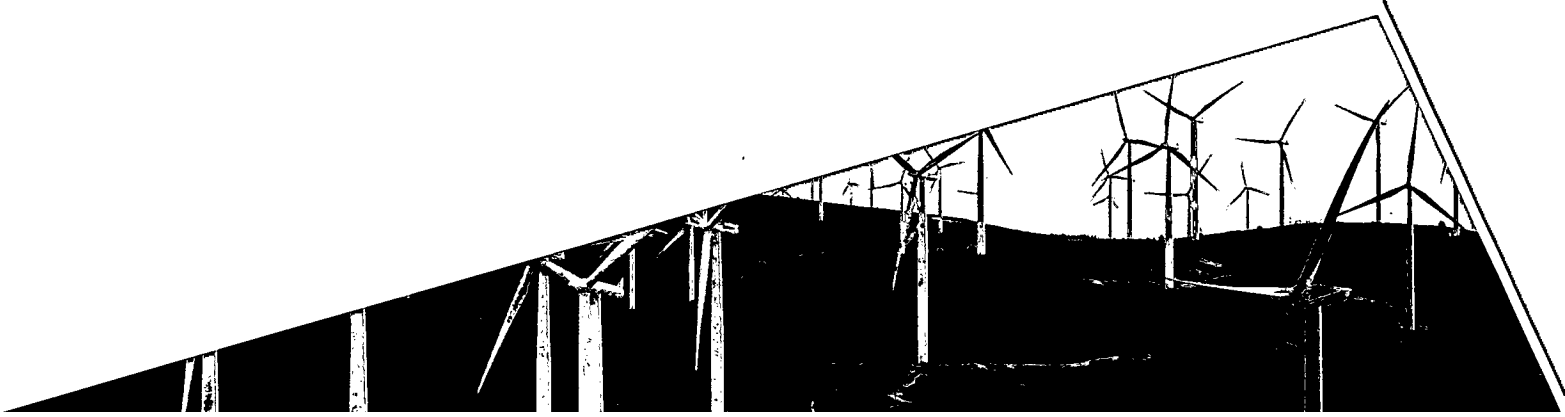
When preparing the current year end accounts management have discovered a material misstatement of goodwill for the year ended 30 June 2020. Management have subsequently done an extensive review of the group's goodwill balances and implemented controls to prevent similar occurrences in the future. The impact of the mistake and resulting restatement for the year ended 30 June 2020 is as follows:

Group	Year ended 30 June 2020 (as stated) £'000	Adjustment £'000	Year ended 30 June 2020 (restated) £'000
Goodwill	715,118	(10,839)	704,279
Accumulated amortisation	(135,870)	15,580	(120,290)
Amortisation expense	31,218	2,771	33,989

Included in the correction above is adjustment of £8,576,000 to reserves.

d) Decommissioning provision

For the year ended 30 June 2020 a provision was implemented by the group on its UK wind farms to reflect the cost that would be incurred if the sites were to be decommissioned. It was noted during the audit for the year ended 30 June 2021 that under FRS102 the provision was incorrectly shown as net of scrap value. To correct for this management have adjusted the provision by £5,056,000 with the corresponding amount increasing the fixed asset value, the additional unwind for the year ended 30 June 2021 was £101,000. This restatement is reflected in the Group balance sheet and the related note disclosures.



4 | FINANCIAL STATEMENTS 30 JUNE 2021

Notes to the financial statements for the year ended 30 June 2021

27 Business combinations

a) Saunamaa Wind Farm Oy and Voyrinkangas Wind Farm Oy

On 31 July 2020, the Group acquired the 10% non-controlling interest in both Saunamaa Wind Farm Oy and Voyrinkangas Wind Farm Oy, bringing its total interest to 100% of both subsidiaries. The Company paid total consideration of £7,089,552 (€7,837,500). There was no additional goodwill recognised as a result of this transaction.

b) CEPE Berceronne SARL

On 28 October 2020, the Group acquired CEPE Berceronne SARL, a wind farm through the purchase of 100% of the share capital for £280,000 in cash.

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.

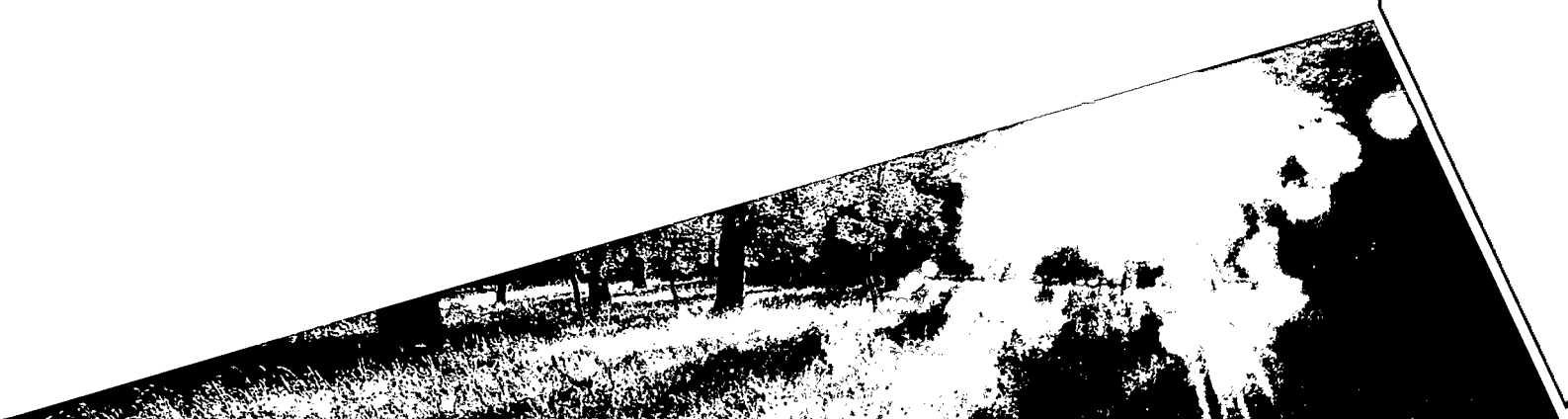
Consideration	€'000	Exchange rate	£'000
Cash	308	1.1058	280
Total consideration	308	1.1058	280

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

	Book values	Adjustments	Fair value	Book value	Adjustments	Fair value
	€000	€000	€000	£000	£000	£000
Fixed assets	204	–	204	185	–	185
Trade and other receivables	13	–	13	12	–	12
Cash and cash equivalents	10	–	10	9	–	9
Net liabilities acquired	227	–	227	206	–	206
Goodwill			81			74
Total consideration			308			280

Goodwill resulting from the business combination was £74,000 and has an estimated useful life of 20 years, reflecting the lifespan of the assets acquired.

The consolidated statement of comprehensive income for the year includes £Nil revenue and a loss before tax of £153,821 in respect of this acquisition.



4 | FINANCIAL STATEMENTS 30 JUNE 2021

Notes to the financial statements for the year ended 30 June 2021

c) Guardbridge Sp. z o.o

On 14 June 2021, the Group acquired Guardbridge Sp. z o.o, through the purchase of 100% of the share capital for consideration of £9,073,000 (€10,558,000).

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

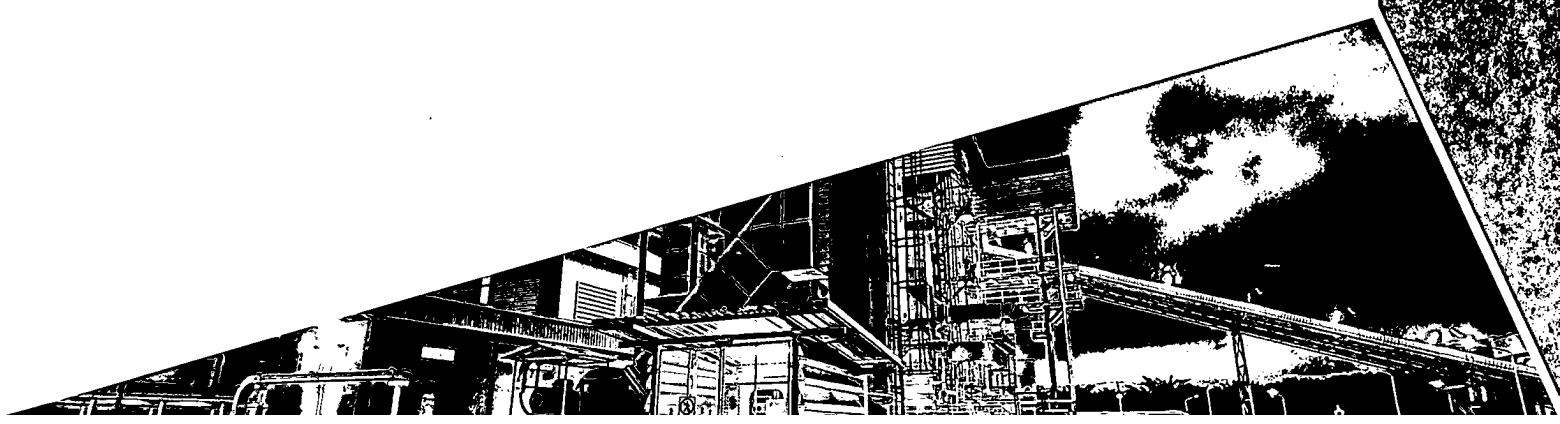
Consideration	Exchange Rate		
	€'000		£'000
Cash	9,990	1.1637	8,585
Directly attributable costs	568	1.1637	488
Total consideration	10,558		9,073

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

	Book values	Adjustments	Fair value	Book values	Adjustments	Fair value
	€'000	€'000	€'000	£'000	£'000	£'000
Fixed assets	9,257	–	9,257	7,955	–	7,955
Trade and other receivables	3	–	3	3	–	3
Cash and cash equivalents	80	–	80	68	–	68
Prepayments and accrued income	179	–	179	154	–	154
Other creditors	(1)	–	(1)	(1)	–	(1)
Net liabilities acquired	9,518	–	9,518	8,179	–	8,179
Goodwill			1,040			894
Total consideration			10,558			9,073

Goodwill resulting from the business combination was £894,000 and has an estimated useful life of 29 years, reflecting the lifespan of the assets acquired.

The consolidated statement of comprehensive income for the year includes £7,868 of revenue and a loss before tax of £3,130 in respect of this acquisition.



4 | FINANCIAL STATEMENTS 30 JUNE 2021

Notes to the financial statements for the year ended 30 June 2021

d) Vorboss Limited acquisition

On 27 November 2020, the Group acquired Vorboss Limited and its subsidiary undertakings through the purchase of 100% of the share capital for £17,038,000 of direct consideration and £4,718,000 of contingent deferred consideration. Vorboss Limited is building an enterprise fibre network in central London.

The following tables summarise the consideration paid by the Group, the fair value of the assets acquired, and the liabilities assume at the acquisition date. A list of the entities acquired are set out in note 29.

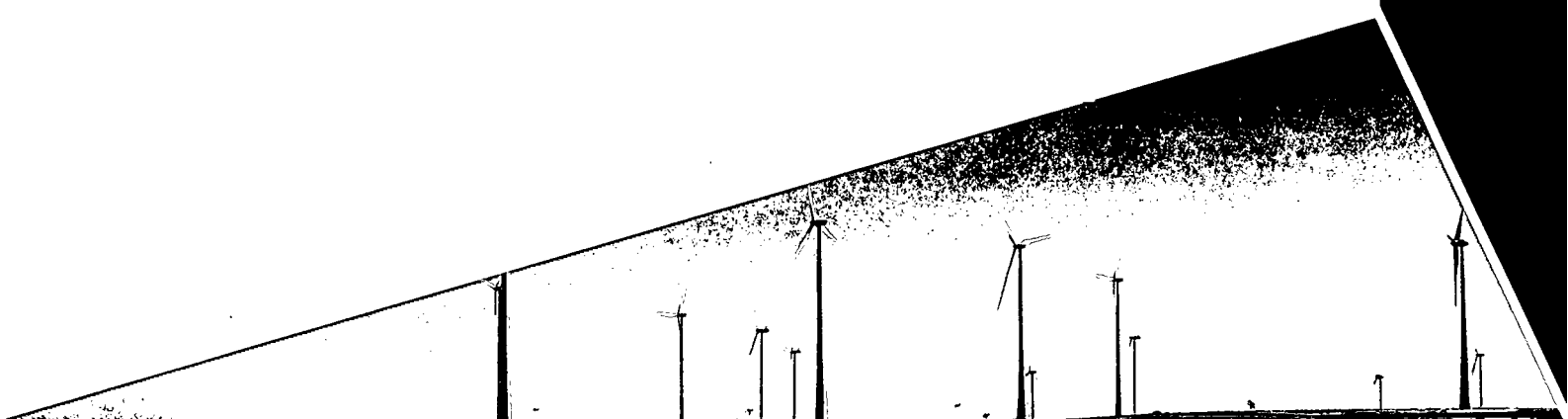
Consideration	£'000
Cash	14,782
Directly attributable costs	2,256
Deferred consideration	4,718
Total consideration	21,756

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

	Book values £'000	Adjustments £'000	Fair value £'000
Fixed assets	1,662	–	1,662
Intangible assets	22	–	22
Trade and other receivables	1,457	–	1,457
Cash and cash equivalents	315	–	315
Prepayments and accrued income	97	–	97
Other creditors	(1,549)	–	(1,549)
Net assets acquired	2,004	–	2,004
Goodwill			19,752
Total consideration			21,756

Goodwill resulting from the business combination was £19,751,927 and has an estimated useful life of 30 years, reflecting the lifespan of the assets acquired.

The consolidated statement of comprehensive income for the year includes £3,737,897 of revenue and a loss before tax of £7,562,801 in respect of this acquisition.



4 | FINANCIAL STATEMENTS 30 JUNE 2021

Notes to the financial statements for the year ended 30 June 2021

e) Giganet Limited acquisition

On 15 April 2021, the Group acquired Giganet Limited (formerly M12 Solution Limited) a supplier of Fibre networks, through the purchase of 100% of the share capital for consideration of £2,715,763 and contingent deferred consideration of £1,556,187.

The following tables summarise the consideration paid by the Group, the fair value of assets acquired, and liabilities assumed at the acquisition date. A list of the entities acquired are set out in note 29.

Consideration	£'000
Cash	2,690
Deferred consideration	1,556
Directly attributable costs	26
Total consideration	4,272

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

	Book values	Adjustments	Fair value
	£'000	£'000	£'000
Fixed assets	176	–	176
Trade and other creditors	(310)	–	(310)
Trade and other receivables	124	–	124
Cash and cash equivalents	104	–	104
Prepayments and accrued income	1	–	1
Other loans	(11)	–	(11)
Net assets acquired	84	–	84
Goodwill			4,188
Total consideration			4,272

Goodwill resulting from the business combination was £4,187,514 and has an estimated useful life of 25 years, reflecting the lifespan of the assets acquired.

The consolidated statement of comprehensive income for the year includes £805,421 of revenue and a loss before tax of £824,373 in respect of this acquisition.

4 | FINANCIAL STATEMENTS 30 JUNE 2021

Notes to the financial statements for the year ended 30 June 2021

f) Reserve power acquisition

On 21 April 2021, the Group acquired 7 reserve power sites, through the purchase of 100% of the share capital for consideration of £1,269,600.

The following tables summarise the consideration paid by the Group, the fair value of assets acquired, and liabilities assumed at the acquisition date. A list of the entities acquired are set out in note 29.

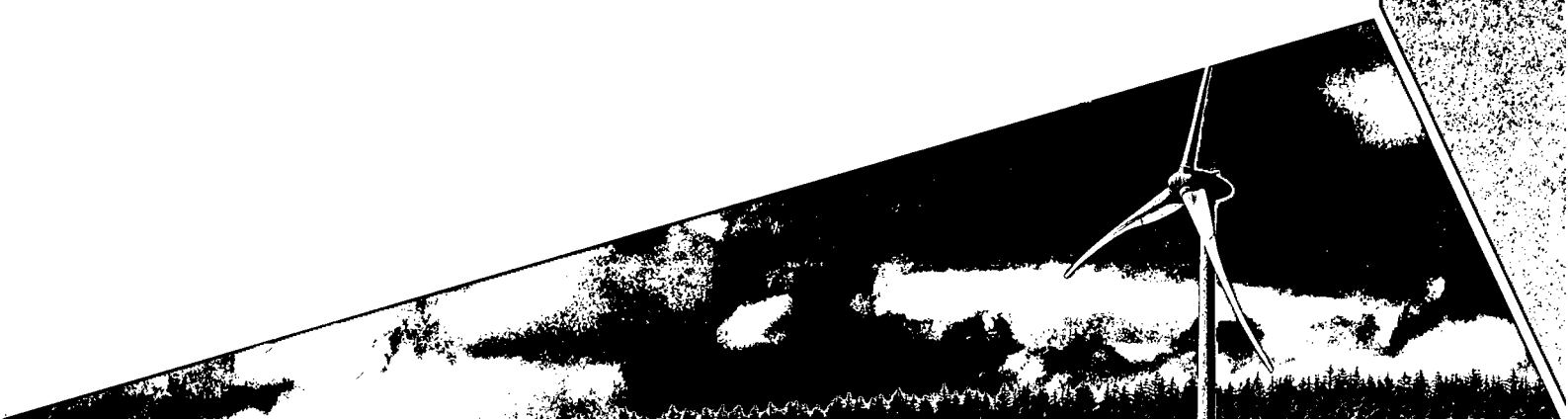
Consideration	£'000
Consideration	1,270
Total consideration	1,270

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

	Book values	Adjustments	Fair value
	£'000	£'000	£'000
Fixed assets	58,190	(19,942)	38,248
Stock	–	–	–
Trade and other receivables	1,712	–	1,712
Cash and cash equivalents	5,830	–	5,830
Prepayments and accrued income	1,053	–	1,053
Other loans	(42,566)	–	(42,566)
Other creditors	(3,007)	–	(3,007)
Net assets acquired	21,212	(19,942)	1,270
Goodwill			–
Total consideration			1,270

There was no goodwill resulting from the business combination.

The consolidated statement of comprehensive income for the year includes revenue of £2,351,682 and a loss before tax of £1,993,154 in respect of this acquisition.



4 | FINANCIAL STATEMENTS 30 JUNE 2021

Notes to the financial statements for the year ended 30 June 2021

g) Snetterton acquisition

On 27 April 2021, the Group acquired Snetterton Renewable Power Holdings Limited and its subsidiary undertakings, through the purchase of 100% of the share capital for consideration of £176,438,000

The following tables summarise the consideration paid by the Group, the fair value of assets acquired, and liabilities assumed at the acquisition date. A list of the entities acquired are set out in note 29.

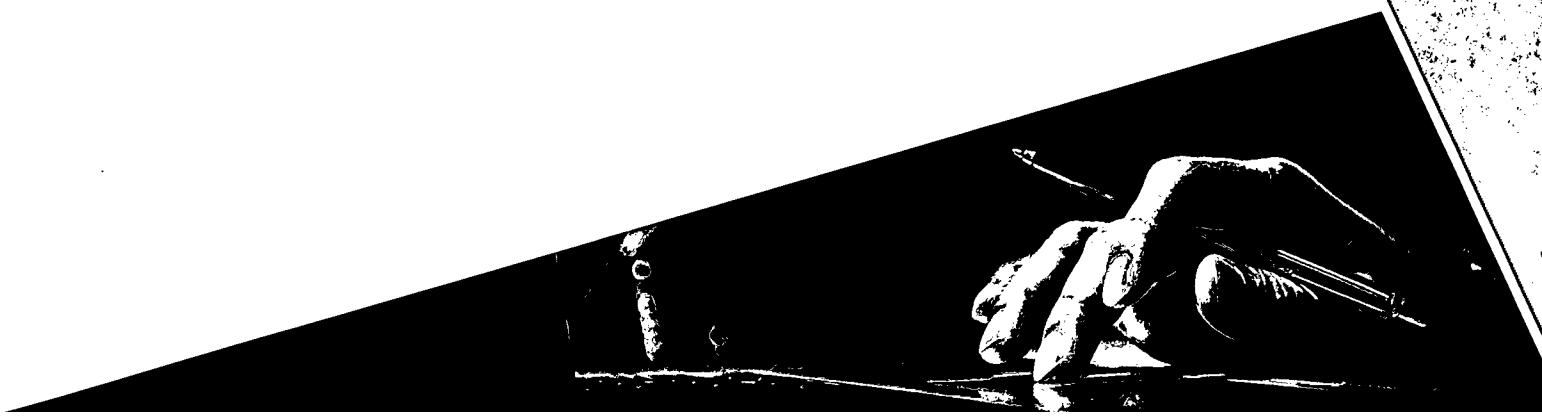
Consideration	£'000
Cash	175,965
Directly attributable costs	473
Total consideration	176,438

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

	Book values	Adjustments	Fair value
	£'000	£'000	£'000
Fixed assets	148,240	–	148,240
Trade and other receivables	8,665	–	8,665
Cash and cash equivalents	6,019	–	6,019
Stock	2,917	87	3,004
Trade and other creditors	(8,175)	–	(8,175)
Prepayments and accrued income	1,105	–	1,105
Net assets acquired	158,771	87	158,858
Goodwill			17,580
Total consideration			176,438

Goodwill resulting from the business combination was £17,580,000 and has an estimated useful life of 25 years, reflecting the lifespan of the assets acquired.

The consolidated statement of comprehensive income for the year include £2,422,237 of revenue and a profit before tax of £817,660 in respect of this acquisition.



4 | FINANCIAL STATEMENTS 30 JUNE 2021

Notes to the financial statements for the year ended 30 June 2021

h) Rangeford Holdings Limited acquisition

On 28 June 2021, the Group acquired Rangeford Chertsey Limited (formerly known as C Squared Property Developments (Chertsey) Limited), a development site for a retirement village, through the purchase of 100% of the share capital for £8,881,235 in direct consideration, 2,500,000 in deferred consideration and 2,049,000 in deferred contingent consideration.

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

Consideration	£'000
Cash	8,666
Deferred consideration	2,500
Deferred contingent consideration	2,049
Directly attributable costs	215
Total consideration	13,430

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

	Book values	Adjustments	Fair value
	£'000	£'000	£'000
Stock	10,364	836	11,200
Net assets acquired	10,364	836	11,200
Goodwill			2,230
Total consideration			13,430

Goodwill resulting from the business combination was £2,230,275 and has an estimated useful life of 8 years, reflecting the lifespan of the development project.

The consolidated statement of comprehensive income for the year include £Nil revenue and a loss before tax of £Nil in respect of this acquisition.

4 | FINANCIAL STATEMENTS 30 JUNE 2021

Notes to the financial statements for the year ended 30 June 2021

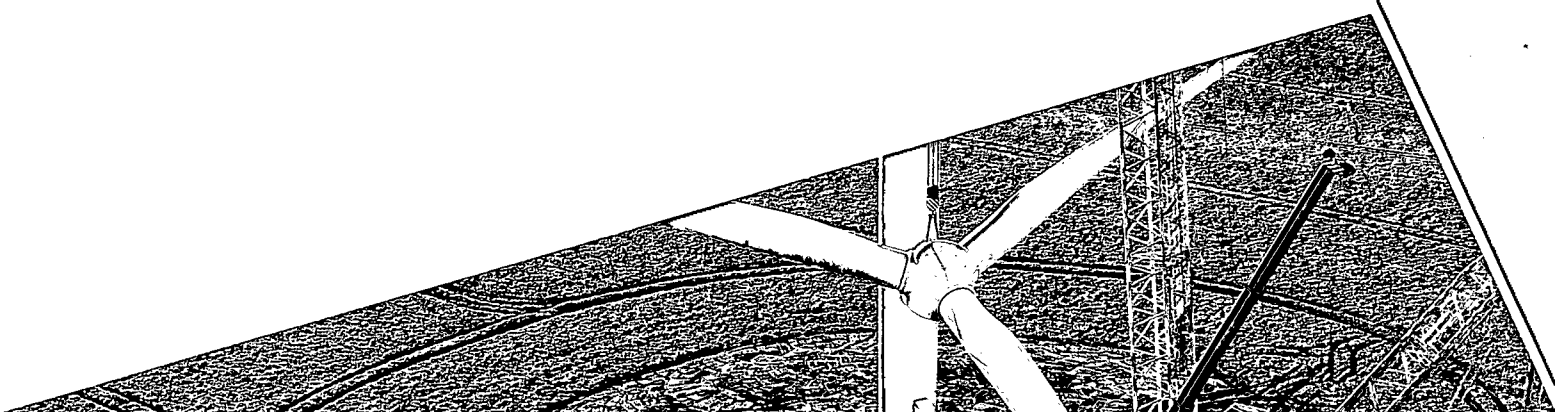
28 Reconciliation of Non-GAAP Financial Measures

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 35 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:

	Note	2021 £'000	2020 £'000
Bank loans and overdrafts	16	871,918	1,083,491
Other loans	14, 15	–	8,359
Gross debt		871,918	1,091,850
Cash at bank and in hand	11	(172,478)	(206,688)
Net debt		699,440	885,162



4 | FINANCIAL STATEMENTS 30 JUNE 2021

Notes to the financial statements for the year ended 30 June 2021

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	2021 £'000	(restated) 2020 £'000
Loss for the financial year		(29,313)	(33,609)
Add			
Amortisation of intangible assets	2	34,991	33,989
Depreciation of tangible assets	2	85,917	73,610
Interest payable and similar expenses	6	36,067	50,873
Exceptional items		–	21,618
Tax	7	8,143	9,324
Less			
Income from other fixed asset investments		(449)	(945)
Share of operating profit in joint venture		(1,755)	(2,303)
Profit on disposal of subsidiaries		(28,568)	(17,991)
Interest receivable and similar income	6	(997)	(148)
EBITDA		104,036	134,418

Note 26 details the prior period adjustments.



4 | FINANCIAL STATEMENTS 30 JUNE 2021

Notes to the financial statements for the year ended 30 June 2021

29 Related undertakings

Details of the subsidiary undertakings are as follows:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Adalinda Solar SPV 1 Limited**	UK	Ordinary	100%	Energy generation
Abbots Ripton Solar Energy Holding Limited**	UK	Ordinary	100%	Holding company
Agrisol-2 SARL ⁴	France	Ordinary	100%	Energy generation
AI Networks Limited**	UK	Ordinary	100%	Holding company
Auchencarroch Energy Limited ^{2**}	UK	Ordinary	100%	Energy generation
Auquhirie Land Company Limited ^{5**}	UK	Ordinary	100%	Energy generation
Avenue Solar Farm Limited**	UK	Ordinary	100%	Energy generation
Banbury Power Limited**	UK	Ordinary	100%	Energy generation
Batisolaire 5 SARL ⁴	France	Ordinary	100%	Energy generation
Batisolaire 7 SARL ⁴	France	Ordinary	100%	Holding company
Beetley Energy Limited**	UK	Ordinary	100%	Energy generation
Beighton Energy Limited**	UK	Ordinary	100%	Energy generation
Beinneun Holdings Limited*	UK	Ordinary	100%	Dormant company
Beinneun Wind Farm Limited**	UK	Ordinary	100%	Energy generation
Bellhouse Energy Limited**	UK	Ordinary	100%	Energy generation
Birch Estate Solar Limited**	UK	Ordinary	100%	Energy generation
Blaby Solar Farm Limited**	UK	Ordinary	100%	Energy generation
BNRG IOW Limited**	UK	Ordinary	100%	Energy generation
Bolam Energy Limited**	UK	Ordinary	100%	Energy generation
Boomerang Energy Limited**	UK	Ordinary	100%	Holding company
Boreas Energy Limited**	UK	Ordinary	100%	Holding company
Bratton Fleming Limited**	UK	Ordinary	100%	Energy generation
Breck Solar Limited**	UK	Ordinary	100%	Energy generation
Bryn Yr Odyn Solar Developments Holdings Limited**	UK	Ordinary	100%	Holding company
Bryn Yr Odyn Solar Developments Limited**	UK	Ordinary	100%	Energy generation
Bury Power Limited**	UK	Ordinary	100%	Energy generation
Cadoxton Reserve Power Limited**	UK	Ordinary	100%	Energy generation
Caicias Energy Limited**	UK	Ordinary	100%	Holding company
Cark Limited ⁶	Ireland	Ordinary	100%	Energy generation
Caswell Solar Farm Limited**	UK	Ordinary	100%	Energy generation
Cathkin Energy Limited ^{2**}	UK	Ordinary	100%	Energy generation

4 | FINANCIAL STATEMENTS 30 JUNE 2021

Notes to the financial statements for the year ended 30 June 2021

Name	Country of incorporation	Class of shares	Holding	Principal activity
Causilgey Limited**	UK	Ordinary	100%	Energy generation
Cedar Energy and Infrastructure Limited	UK	Ordinary	100%	Holding company
CEPE Berconne SARL ¹¹	France	Ordinary	100%	Energy generation
CEPE du Grandbois SARL ⁸	France	Ordinary	100%	Energy generation
CEPE de la Salesse SARL ¹¹	France	Ordinary	100%	Energy generation
CEPE de Lacombe SARL ¹¹	France	Ordinary	100%	Energy generation
CEPE de Marsanne SARL ⁸	France	Ordinary	100%	Energy generation
CEPE Haut du Saule ¹¹	France	Ordinary	100%	Energy generation
CEPE de La Roche Quatre Rivières SARL ¹¹	France	Ordinary	100%	Energy generation
CEPE du Pays de St Seine SARL ⁸	France	Ordinary	100%	Energy generation
Chelson Meadow Energy Limited**	UK	Ordinary	100%	Energy generation
Chisbon Solar Farm Holdings Limited**	UK	Ordinary	100%	Holding company
Chittering Solar Two Limited**	UK	Ordinary	100%	Energy generation
Cilgwyn Energy Limited*	UK	Ordinary	100%	Dormant company
Clann Farm Limited**	UK	Ordinary	100%	Energy generation
Claramond Solar SPV 1 Limited**	UK	Ordinary	100%	Energy generation
CLP Developments Limited*	UK	Ordinary	100%	Dormant company
CLP Envirogas Limited**	UK	Ordinary	100%	Holding company
CLP Services Limited*	UK	Ordinary	80%	Dormant company
CLPE 1991 Limited*	UK	Ordinary	100%	Dormant company
CLPE 1999 Limited**	UK	Ordinary	100%	Holding company
CLPE Holdings Limited**	UK	Ordinary	100%	Holding company
CLPE Projects 1 Limited**	UK	Ordinary	100%	Holding company
CLPE Projects 2 Limited**	UK	Ordinary	100%	Holding company
CLPE Projects 3 Limited**	UK	Ordinary	100%	Holding company
CLPE ROC – 1 Limited**	UK	Ordinary	100%	Energy generation
CLPE ROC – 2 Limited**	UK	Ordinary	100%	Energy generation
CLPE ROC – 3 Limited**	UK	Ordinary	100%	Energy generation
CLPE ROC – 3A Limited**	UK	Ordinary	100%	Energy generation
CLPE ROC – 4 Limited**	UK	Ordinary	100%	Energy generation
CLPE ROC – 4A Limited**	UK	Ordinary	100%	Energy generation
Clyne Power Limited**	UK	Ordinary	100%	Energy generation
Colsterworth Energy Limited**	UK	Ordinary	100%	Energy generation

4 | FINANCIAL STATEMENTS 30 JUNE 2021

Notes to the financial statements for the year ended 30 June 2021

Name	Country of incorporation	Class of shares	Holding	Principal activity
Comm21 Ltd ^{**}	UK	Ordinary	100%	Fibre network production
Connon Bridge Energy Limited ^{**}	UK	Ordinary	100%	Energy generation
Cotesbach Energy Limited ^{**}	UK	Ordinary	100%	Energy generation
Cour Wind Farm (Scotland) Limited ^{5**}	UK	Ordinary	100%	Energy generation
Crapnell Farm Limited ^{**}	UK	Ordinary	100%	Energy generation
Craymarsh Limited ^{**}	UK	Ordinary	100%	Energy generation
Cressing Solar Farm Limited ^{**}	UK	Ordinary	100%	Energy generation
Cynon Power Limited ^{**}	UK	Ordinary	100%	Energy generation
Dafen Reserve Power Limited ^{**}	UK	Ordinary	100%	Energy generation
Dairy House Solar Limited ^{**}	UK	Ordinary	100%	Energy generation
Darlington Point Holdco Pty Limited ¹⁰	Australia	Ordinary	100%	Holding company
Darlington Point Solar Farm Pty Limited ¹⁰	Australia	Ordinary	91%	Holding company
Darlington Point Subholdco Pty Limited ¹⁰	Australia	Ordinary	100%	Holding company
Deepdale Farm Solar Limited ^{**}	UK	Ordinary	100%	Energy generation
Drapers Farm Limited ^{**}	UK	Ordinary	100%	Energy generation
Dyffryn Brodyn Limited ^{**}	UK	Ordinary	100%	Energy generation
Eakring Limited ^{**}	UK	Ordinary	100%	Holding company
Elecsol Camargue SARL ⁴	France	Ordinary	100%	Energy generation
Elecsol France 7 SARL ⁴	France	Ordinary	90%	Energy generation
Elecsol France 11 SARL ⁴	France	Ordinary	90%	Energy generation
Elecsol France 15 SARL ⁴	France	Ordinary	100%	Energy generation
Elecsol France 19 SARL ⁴	France	Ordinary	100%	Energy generation
Elecsol France 22 SARL ⁴	France	Ordinary	100%	Energy generation
Elecsol France 24 SARL ⁴	France	Ordinary	100%	Energy generation
Elecsol France 25 SARL ⁴	France	Ordinary	100%	Energy generation
Elecsol France 28 SARL ⁴	France	Ordinary	100%	Energy generation
Elecsol France 41 SARL ⁴	France	Ordinary	100%	Energy generation
Elecsol Haut Var SARL ⁴	France	Ordinary	100%	Energy generation
Elios Energy 2 France SAS ⁴	France	Ordinary	100%	Holding company
Elios Energy 2 Limited	UK	Ordinary	100%	Holding company
Elios Energy 3 France SAS ¹²	France	Ordinary	100%	Energy generation
Elios Energy DS3 Holdings 1 Limited ^{***}	UK	Ordinary	100%	Holding company
Elios Energy DS3 Holdings 2 Limited ^{***}	UK	Ordinary	100%	Holding company

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Notes to the financial statements for the year ended 30 June 2021

Name	Country of incorporation	Class of shares	Holding	Principal activity
Elios Energy DS3 Holdings 3 Limited ^{***}	UK	Ordinary	100%	Holding company
Elios Energy Holdings 2 Limited ^{**}	UK	Ordinary	100%	Holding company
Elios Energy Holdings 3 Limited ^{**}	UK	Ordinary	100%	Holding company
Elios Energy Holdings Limited ^{**}	UK	Ordinary	100%	Holding company
Elios Renewable Energy Limited ^{**}	UK	Ordinary	100%	Holding company
Ellicombe Limited ^{**}	UK	Ordinary	100%	Energy generation
Energy Power Resources Limited ^{**}	UK	Ordinary	100%	Energy project development and management services
EPR Ely Limited ^{**}	UK	Ordinary	100%	Energy generation
EPR Eye Limited ^{**}	UK	Ordinary	100%	Energy generation
EPR Glanford Limited ^{**}	UK	Ordinary	100%	Energy generation
EPR Renewable Energy Limited ^{**}	UK	Ordinary	100%	Holding company
EPR Scotland Limited ^{3**}	UK	Ordinary	100%	Energy generation
EPR Thetford Limited ^{**}	UK	Ordinary	100%	Energy generation
Eucalyptus Energy Holdings Limited ^{**}	UK	Ordinary	100%	Holding company
Eucalyptus Energy Limited ^{**}	UK	Ordinary	100%	Holding company
Feltwell Energy Limited ^{**}	UK	Ordinary	100%	Energy generation
Fern Energy (Grange) Limited ^{***}	UK	Ordinary	100%	Holding company
Fern Energy Cour Holdings Limited ^{**}	UK	Ordinary	100%	Holding company
Fern Energy Holdings Limited ^{**}	UK	Ordinary	100%	Holding company
Fern Energy Jupiter Acquisitions Limited ^{***}	UK	Ordinary	100%	Dormant company
Fern Energy Limited ^{**}	UK	Ordinary	100%	Holding company
Fern Energy Partnership Holdings Limited [*]	UK	Ordinary	100%	Dormant company
Fern Energy Ridgewind Acquisitions Limited [*]	UK	Ordinary	100%	Dormant company
Fern Energy RidgeWind Holdings Limited [*]	UK	Ordinary	100%	Dormant company
Fern Energy Whiteside Holdings Limited ^{***}	UK	Ordinary	100%	Dormant company
Fern Energy Wind Holdings Limited ^{**}	UK	Ordinary	100%	Holding company
Fern Fibre Limited ^{**}	UK	Ordinary	100%	Holding company
Fern Healthcare Holdings Limited ^{**}	UK	Ordinary	100%	Holding company
Fern Infrastructure Limited ^{**}	UK	Ordinary	100%	Holding company
Fern Renewable Energy Limited ^{**}	UK	Ordinary	100%	Holding company
Fern Rooftop Solar (A) [*]	UK	Ordinary	100%	Dormant company
Fern Rooftop Solar (Zestec) Ltd [*]	UK	Ordinary	100%	Dormant company

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Notes to the financial statements for the year ended 30 June 2021

Name	Country of incorporation	Class of shares	Holding	Principal activity
Fern Trading Development Limited**	UK	Ordinary	100%	Holding company
Fern Energy Wind Holdings Limited**	UK	Ordinary	100%	Holding company
Fern Fibre Limited**	UK	Ordinary	100%	Holding company
Fern UK Power Developments Limited*	UK	Ordinary	100%	Dormant company
Fibrophos Limited**	UK	Ordinary	100%	Supply of fertiliser
Four Burrows Limited**	UK	Ordinary	100%	Energy generation
Fraisthorpe (Holding) Limited*	UK	Ordinary	100%	Dormant company
Fraisthorpe Wind Farm Limited**	UK	Ordinary	100%	Energy generation
Garlaff Energy Limited ²	UK	Ordinary	100%	Dormant company
Giganet Fibre Ltd**	UK	Ordinary	100%	Fibre network production
Giganet Limited**	UK	Ordinary	100%	Fibre network production
Glenchamber Wind Energy Limited ⁷ **	UK	Ordinary	100%	Energy generation
Grange Wind Farm Limited**	UK	Ordinary	100%	Energy generation
Guardbride SP z.o.o. ¹	Poland	Ordinary	100%	Energy generation
Harbourne Power Limited**	UK	Ordinary	100%	Energy generation
Haymaker (Mount Mill) Limited**	UK	Ordinary	100%	Energy generation
Haymaker (Natewood) Holdings Limited**	UK	Ordinary	100%	Holding company
Haymaker (Natewood) Ltd**	UK	Ordinary	100%	Energy generation
Haymaker (Oaklands) Holdings Limited**	UK	Ordinary	100%	Holding company
Haymaker (Oaklands) Ltd**	UK	Ordinary	100%	Energy generation
Helm Power 2 Limited**	UK	Ordinary	100%	Holding company
Helm Power Limited**	UK	Ordinary	100%	Holding company
Higher Knapp Farm Limited**	UK	Ordinary	100%	Energy generation
Hill End Farm Limited**	UK	Ordinary	100%	Energy generation
Hollamoor Limited**	UK	Ordinary	100%	Energy generation
Hursit SPV 1 Limited**	UK	Ordinary	100%	Energy generation
Irwell Power Limited**	UK	Ordinary	100%	Energy generation
Jameson Road Energy Limited**	UK	Ordinary	100%	Energy generation
Jurassic Fibre Holdings Limited**	UK	Ordinary	90%	Holding company
Jurassic Fibre Limited	UK	Ordinary	90%	Fibre network production
Larigan Power Limited**	UK	Ordinary	100%	Energy generation
Lenham Solar Limited**	UK	Ordinary	100%	Energy generation

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Notes to the financial statements for the year ended 30 June 2021

Name	Country of incorporation	Class of shares	Holding	Principal activity
Little T Solar Limited**	UK	Ordinary	100%	Energy generation
Littleton Solar Farm Limited**	UK	Ordinary	100%	Energy generation
LLU Communications Ltd**	UK	Ordinary	100%	Fibre network operation
Lovedean Limited**	UK	Ordinary	100%	Energy generation
Luminance Solar Limited**	UK	Ordinary	100%	Energy generation
M12 Solutions Limited	UK	Ordinary	100%	Holding company
Manston Thorne Limited*	UK	Ordinary	100%	Energy generation
March Energy Limited**	UK	Ordinary	100%	Energy generation
Marley Thatch Solar Ltd**	UK	Ordinary	100%	Energy generation
Meadows Farm Limited**	UK	Ordinary	100%	Energy generation
Melbourn Solar Limited**	UK	Ordinary	100%	Energy generation
Melton LG Energy Limited**	UK	Ordinary	100%	Holding company
Melton LG Holding Limited**	UK	Ordinary	100%	Holding company
Melton LG ROC Limited**	UK	Ordinary	100%	Asset leasing company
Melton Renewable Energy (Holdings) Limited**	UK	Ordinary	100%	Holding company
Melton Renewable Energy Newco Limited**	UK	Ordinary	100%	Holding company
Melton Renewable Energy UK Limited	UK	Ordinary	100%	Holding company
Mill Hill Farm Solar Limited**	UK	Ordinary	100%	Energy generation
Mingay Farm Holding Limited**	UK	Ordinary	100%	Holding company
MSP Decoy Ltd**	UK	Ordinary	100%	Energy generation
MSP Strete Ltd**	UK	Ordinary	100%	Energy generation
MSP Tregassow Limited**	UK	Ordinary	100%	Energy generation
MTS Hatchlands Solar Ltd**	UK	Ordinary	100%	Energy generation
Nevern Power Limited**	UK	Ordinary	100%	Energy generation
New Row Farm Limited**	UK	Ordinary	100%	Energy generation
Newlands Solar Limited**	UK	Ordinary	100%	Energy generation
Ninnis Farm Limited**	UK	Ordinary	100%	Energy generation
Nordic Power Development Limited**	UK	Ordinary	100%	Holding company
North Perrott Fruit Farm Limited**	UK	Ordinary	100%	Energy generation
Notos Energy Limited**	UK	Ordinary	100%	Holding company
Ogmore Power Limited**	UK	Ordinary	100%	Energy generation
Oldhall Energy Recovery Holdings Limited	UK	Ordinary	100%	Holding company

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Notes to the financial statements for the year ended 30 June 2021

Name	Country of incorporation	Class of shares	Holding	Principal activity
One Ashford Healthcare Limited	UK	Ordinary	89%	Provision of healthcare services
One Hatfield Hospital Limited	UK	Ordinary	90%	Provision of healthcare services
One Healthcare Partners Limited	UK	Ordinary	85%	Holding company
Orta Wedgehill Solar Holdings Limited**	UK	Ordinary	100%	Holding company
Orta Wedgehill Solar Limited**	UK	Ordinary	100%	Energy generation
Palfreys Barton Limited**	UK	Ordinary	100%	Energy generation
Parciau Holdings Limited**	UK	Ordinary	100%	Holding company
Parciau Limited**	UK	Ordinary	100%	Energy generation
Park Broadband Limited**	UK	Ordinary	100%	Fibre network production
Pearmat Solar 2 Ltd**	UK	Ordinary	100%	Energy generation
Pitchford (Conover Airfield & Stockbatch) Limited**	UK	Ordinary	100%	Energy generation
Pitts Farm Limited**	UK	Ordinary	100%	Energy generation
Porthos Solar Limited**	UK	Ordinary	100%	Holding company
Pyms Lane Solar Limited**	UK	Ordinary	100%	Energy generation
Queens Park Road Energy Limited**	UK	Ordinary	100%	Energy generation
Rangeford Care Limited**	UK	Ordinary	100%	Care services for a retirement village
Rangeford Chertsey Limited**	UK	Ordinary	100%	Retirement village development
Rangeford Chigwell Limited**	UK	Ordinary	100%	Care services for a retirement village
Rangeford Cirencester Limited**	UK	Ordinary	100%	Retirement village development
Rangeford Holdings Limited**	UK	Ordinary	100%	Holding company
Rangeford Pickering Limited**	UK	Ordinary	100%	Retirement village development
Rangeford RAP Limited**	UK	Ordinary	100%	Retirement village development
Rangeford Retirement Living Holdings Ltd**	UK	Ordinary	100%	Holding company
Reaches Farm Limited**	UK	Ordinary	100%	Energy generation
Redlake Power Limited**	UK	Ordinary	100%	Energy generation
Ridge Wind Acquisition Limited***	UK	Ordinary	100%	Holding company
Ryston Estate Limited**	UK	Ordinary	100%	Energy generation
Sammatt SARL ⁴	France	Ordinary	100%	Energy generation

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Notes to the financial statements for the year ended 30 June 2021

Name	Country of incorporation	Class of shares	Holding	Principal activity
Saunamaa Wind Farm Oy ⁹	Finland	Ordinary	100%	Energy generation
Selby Power Limited ^{**}	UK	Ordinary	100%	Energy generation
Singrug Holdings Limited ^{**}	UK	Ordinary	100%	Holding company
Singrug Limited ^{**}	UK	Ordinary	100%	Energy generation
Six Hills Lane (Ragdale) Limited ^{**}	UK	Ordinary	100%	Energy generation
Skelbrooke Energy Limited ^{**}	UK	Ordinary	100%	Energy generation
Slaughtergate Limited ^{**}	UK	Ordinary	100%	Energy generation
Snetterton Renewable Power Fuels Limited ^{**}	UK	Ordinary	100%	Energy generation
Snetterton Renewable Power Holdings Limited [*]	UK	Ordinary	100%	Dormant company
Snetterton Renewable Power Limited ^{**}	UK	Ordinary	100%	Energy generation
Solarfi LP08 SARL ⁴	France	Ordinary	100%	Energy generation
Solarfi SP01 SARL ⁴	France	Ordinary	100%	Energy generation
Solarfi SP02 SARL ⁴	France	Ordinary	100%	Energy generation
Solarfi SP04 SARL ⁴	France	Ordinary	100%	Energy generation
Solarfi SP05 SARL ⁴	France	Ordinary	100%	Energy generation
Solarfi SP08 SARL ⁴	France	Ordinary	100%	Energy generation
Solarfi SP10 SARL ⁴	France	Ordinary	100%	Energy generation
Southcombe Farm Limited ^{**}	UK	Ordinary	100%	Energy generation
Steadfast Parkhouse Solar Limited ^{**}	UK	Ordinary	100%	Energy generation
Steadfast Rudge Solar Limited ^{**}	UK	Ordinary	100%	Energy generation
Steadfast Shipton Belinger Solar Limited ^{**}	UK	Ordinary	100%	Energy generation
Stellar Power Limited ^{**}	UK	Ordinary	100%	Energy generation
Stoneyhill Energy Limited ^{2*}	UK	Ordinary	100%	Dormant company
Sulis Energy Limited ^{**}	UK	Ordinary	100%	Holding company
Summerston Energy Limited ^{2**}	UK	Ordinary	100%	Energy generation
Swish Fibre Limited ^{**}	UK	Ordinary	80%	Holding company
Swish Fibre Networks Ltd ^{**}	UK	Ordinary	100%	Fibre network production
Swish Fibre Services Limited ^{**}	UK	Ordinary	80%	Fibre network production
Swish Trading Limited ^{**}	UK	Ordinary	80%	Holding company
TGC Solar 102 Limited ^{**}	UK	Ordinary	100%	Energy generation
TGC Solar 107 Limited ^{**}	UK	Ordinary	100%	Energy generation
TGC Solar 68 Limited ^{**}	UK	Ordinary	100%	Energy generation
TGC Solar 83 Limited ^{**}	UK	Ordinary	100%	Energy generation

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Notes to the financial statements for the year ended 30 June 2021

Name	Country of incorporation	Class of shares	Holding	Principal activity
The Fern Power Company Limited**	UK	Ordinary	100%	Holding company
The Hollies Solar Farm Limited**	UK	Ordinary	100%	Energy generation
Thoresby Estate (Budby) Limited**	UK	Ordinary	100%	Energy generation
Tillingham Power Limited**	UK	Ordinary	100%	Energy generation
Todhills Energy Limited**	UK	Ordinary	100%	Energy generation
Tredown Farm Limited**	UK	Ordinary	100%	Energy generation
Turves Solar Limited**	UK	Ordinary	100%	Energy generation
UKSE 15 Solar Limited**	UK	Ordinary	100%	Energy generation
United Mines Energy Limited**	UK	Ordinary	100%	Energy generation
Victoria Solar Limited**	UK	Ordinary	100%	Energy generation
Viners Energy Limited	UK	Ordinary	100%	Holding company
Vitrifi Limited**	UK	Ordinary	100%	Software development
Voltafrance 01 SARL ⁴	France	Ordinary	100%	Energy generation
Voltafrance 05 SARL ⁴	France	Ordinary	100%	Energy generation
Voltafrance 13 SARL ⁴	France	Ordinary	100%	Energy generation
Voltafrance SARL ⁴	France	Ordinary	100%	Energy generation
Vorboss Limited**	UK	Ordinary	100%	Fibre network operations
Vorboss US Inc	USA	Ordinary	100%	Fibre network operations
Voyrinkangas Wind Farm Oy ⁹	Finland	Ordinary	100%	Energy generation
Wadswick Green Limited**	UK	Ordinary	100%	Retirement village operator
Wadswick Green Property Services Limited	UK	Ordinary	100%	Service charge administrator
Warrington Power Limited**	UK	Ordinary	100%	Energy generation
Waterloo Solar Park Holdings Limited**	UK	Ordinary	100%	Holding company
Waterloo Solar Park Limited**	UK	Ordinary	100%	Energy generation
Week Farm 2 Limited**	UK	Ordinary	100%	Energy generation
Westwood Power Limited**	UK	Ordinary	100%	Energy generation
Westwood Solar Limited**	UK	Ordinary	100%	Energy generation
Wetherden Energy Limited**	UK	Ordinary	100%	Energy generation
Wharf Power Limited**	UK	Ordinary	100%	Energy generation
Whiddon Farm Limited**	UK	Ordinary	100%	Energy generation
Whinney Hill Energy Limited**	UK	Ordinary	100%	Energy generation

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Notes to the financial statements for the year ended 30 June 2021

Name	Country of incorporation	Class of shares	Holding	Principal activity
Wincelle Solar Holdings Limited**	UK	Ordinary	100%	Holding company
Wryde Croft Wind Farm Limited***	UK	Ordinary	100%	Energy generation
WSE Bradford Limited**	UK	Ordinary	100%	Energy generation
WSE Hullavington Holdings Limited**	UK	Ordinary	100%	Holding company
WSE Hullavington Limited**	UK	Ordinary	100%	Energy generation
WSE Park Wall Limited**	UK	Ordinary	100%	Energy generation
WSE Pyde Drove Limited**	UK	Ordinary	100%	Energy generation

*Subsidiaries exempt from audit by virtue of s480A of the Companies Act 2006.

**Subsidiaries exempt from audit by virtue of s479A of the Companies Act 2006.

***Subsidiaries dissolved during the year ended 30 June 2021.

Dissolved after year end

Beinneun Holdings Limited	20/07/2021
Fern Energy Partnership Holdings Limited	21/09/2021
Fern Energy Ridgewind Acquisitions Limited	21/09/2021
Fern Energy RidgeWind Holdings Limited	21/09/2021
Ridge Wind Acquisition Limited	20/07/2021

Acquired after year end

Dulacca WF Holdco PTY Ltd	27/08/2021
Dulacca Energy Project Hold Co PTY Ltd	27/08/2021
Dulacca Energy Project Co PTY Ltd	27/08/2021
Dulacca Energy Project FinCo PTY Ltd	27/08/2021
Doveryard Limited	22/10/2021
DY Oldhall Energy Recovery Limited	22/10/2021
Culvery Power Limited	02/07/2021
Hull Reserve Power Limited	02/07/2021
Immingham Power Limited	02/07/2021
Kiln Power Limited	02/07/2021
Loddon Power Limited	02/07/2021
Marden Power Limited	02/07/2021
Northwich Power Limited	02/07/2021
St Asaph Power Limited	02/07/2021
Wolverhampton Power Limited	02/07/2021

4 | FINANCIAL STATEMENTS 30 JUNE 2021

Notes to the financial statements for the year ended 30 June 2021

On 10 July 2020, Fern Trading Limited (formerly Fern Trading Group Limited) acquired 100% of the share capital of Fern Trading Group Limited (formerly Fern Trading Limited) as part of a group restructure. From this date Fern Trading Limited (formerly Fern Trading Limited) became the immediate parent company of Fern Trading Group Limited (formerly Fern Trading Limited) and its subsidiaries. Fern Trading Group Limited (formerly Fern Trading Limited), Fern Infrastructure Limited, Fern Fibre Limited and Fern Healthcare Holdings Limited are held directly by the Company. All other subsidiaries are held indirectly.

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

1. ul. Grzybowska 2/29, 00-131, Warsaw, Poland
2. Pinsent Masons LLP, Princes Exchange, 1 Earl Grey Street, Edinburgh, EH3 9AQ
3. 1 West Regent Street, Glasgow, G2 1AP
4. 22 rue Alphonse de Newville, 75017 Paris, 17eme arrondissement, France
5. 4th Floor Saltire Court, 20 Castle Terrace, Edinburgh, Scotland, EH1 2EN, United Kingdom
6. 6th Floor, 2 Grand Canal Square, Dublin 2, D02 A342, Ireland
7. Beaufort Court, Egg Farm Lane, Kings Langley, Hertfordshire WD4 8LR, United Kingdom
8. Zone Industrielle de Courtine 330 Rue du Mourelet 84000 Avignon, France
9. Teknobulevardi 3-5, 01530 Vantaa, Finland
10. Level 1, 34-35 South Steyne, Manly NSW 2095, Australia
11. Zone Industrielle de Courtine 115 Rue du Mourelet 84000 Avignon, France
12. 4 Rue de Mariavaux, Paris 75002, France

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



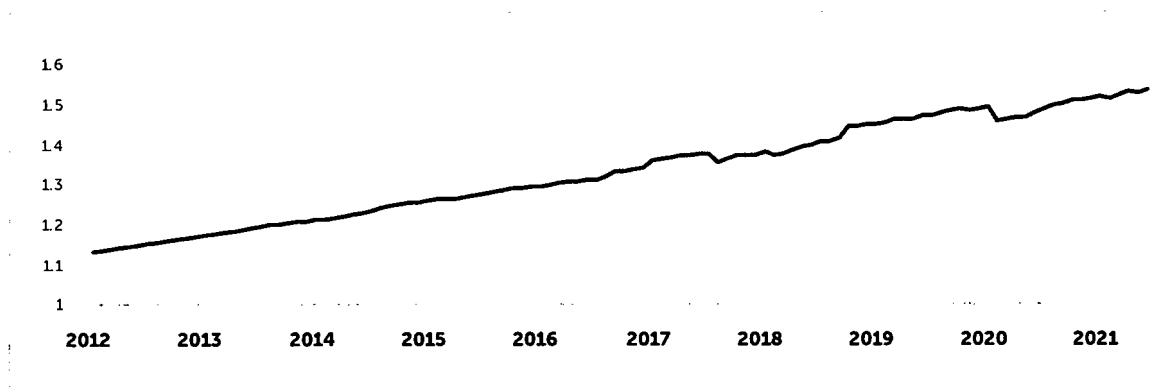
5 | APPENDIX – SHARE PRICE PERFORMANCE (UNAUDITED)

Fern's share price has performed in line with targets

Fern Trading Limited (formerly Fern Trading Group 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.

The figures below include the share price of the previous parent (now Fern Trading Group Limited) as well as this entity.

Share price growth since inception: Fern Trading Limited (formerly Fern Trading Group Limited)



Performance is calculated based on the sale price for Fern's shares at 2 June each year. The share price is not subject to audit by PwC.

Annual discrete performance

Financial Year	Discrete share price performance
June 2020-21	4.87%
June 2019-20	0.33%
June 2018-19	6.23%
June 2017-18	1.75%
June 2016-17	5.55%
June 2015-16	3.83%
June 2014-15	4.00%
June 2013-14	3.73%
June 2012-13	3.98%
June 2011-12	4.10%

Source: Octopus Investments Limited, 2 June 2021.

6 | COMPANY INFORMATION

Directors and advisers

Directors

PS Latham (appointed 14 May 2020)

KJ Willey (appointed 4 August 2020)

PG Barlow (appointed 4 August 2020)

On 4 August 2020, KJ Willey and PG Barlow resigned as Directors of Fern Trading Group Limited (formerly Fern Trading Limited) and were appointed as Directors of Fern Trading Limited (formerly Fern Trading Group Limited). E Fellows and R Skinner were appointed as Directors of Fern Trading Group Limited (formerly Fern Trading Limited) on the same day.

Company secretary

Octopus Company Secretarial Services Limited

Company number

12601636 (incorporated 14 May 2020)

Registered office

6th Floor, 33 Holborn, London EC1N 2HT

Independent auditors

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors
Central Square South, Orchard Street
Newcastle upon Tyne NE1 3AZ

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.

