

Fern Trading Limited Annual Report and Accounts 2022



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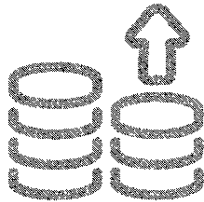
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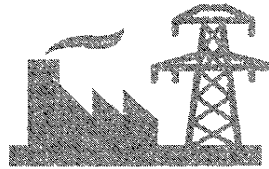
1 | OVERVIEW

Group snapshot



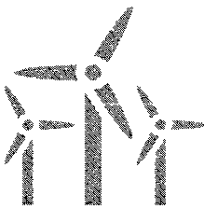
Revenue

Revenue has increased by over 82% in the last 3 years from **£390m** in 2020 to **£712m** in 2022



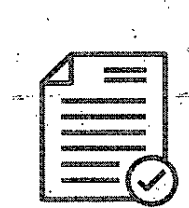
Carbon offsets

Our renewable energy sites' carbon saving is over **822,600** carbon tonnes this year



Energy generation

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



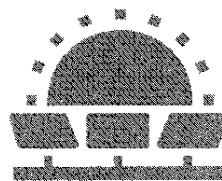
Number of loans

Over the year we provided financing to, on average **182** borrowers in the UK



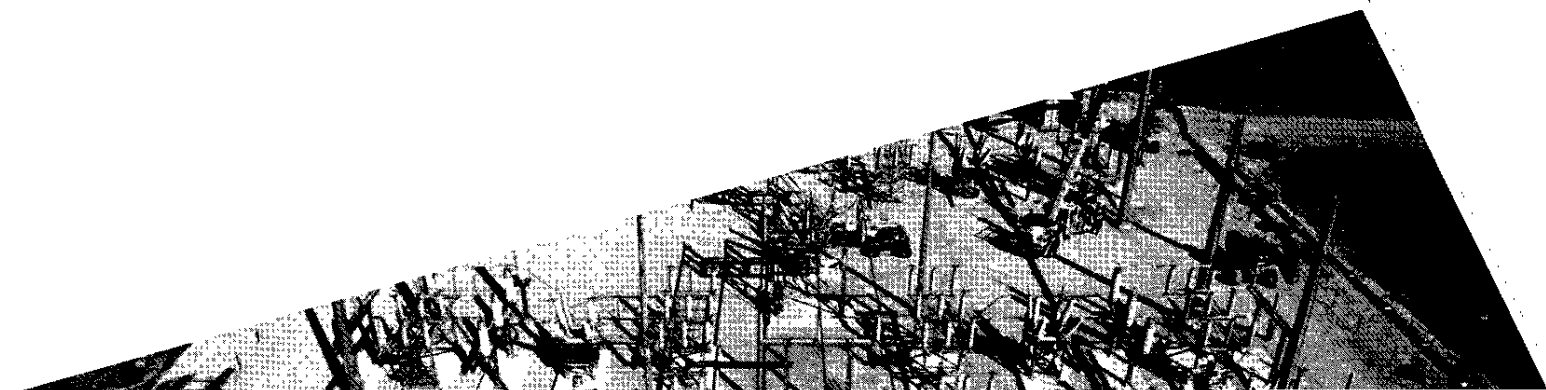
Number of employees

We employ over **1,690** people



Number of sites

We own **220** renewable energy sites spread predominantly across the UK



2 | STRATEGIC REPORT

Chief Executive's review

Our Group was in a solid position coming out of the lockdown response to Covid-19, and our business has continued to perform robustly throughout the year. This year has seen some unforecasted growth in value of certain divisions primarily driven by the increase in energy prices.

Fern Trading Limited ("the Company" or together with its subsidiaries "the Group") targets consistent growth for shareholders over the long term, with a focus on steady and predictable growth, this is particularly important during more challenging economic conditions. We have a diversified and mature business befitting a Group with more than 12 years of trading history and ambition. The Group comprises more than 300 companies that have operated in a range of sectors over many years generating steady long-term growth for our shareholders. We operate in essential sectors that we expect to perform steadily through market volatility.

From this secure base we have been able to add incremental expansion and diversification in a measured way through seeking out opportunities in new adjacent sectors. These sectors provide us with a platform to continue to expand in line with our existing strategy. Today, our Group comprises energy, property lending, healthcare infrastructure fibre and house building divisions. We have grown to be a significant presence within our most established sectors, producing 4.2% of the UK's solar energy and 1.7% of the UK's onshore wind energy output, and building a £361m short and medium term lending business that facilitates the construction and improvement of homes throughout the UK.

The Company's share price delivered 10% growth over the past 12 months, well ahead of our target of 4% growth per annum. The extraordinary growth is attributable to our energy division, which has benefited from a significant increase in long-term energy price forecasts and energy forward rates over the period, in addition to inflation. This

increase in the value of our energy division was supported by solid operational performance across all sectors and some organic growth in newer sectors.

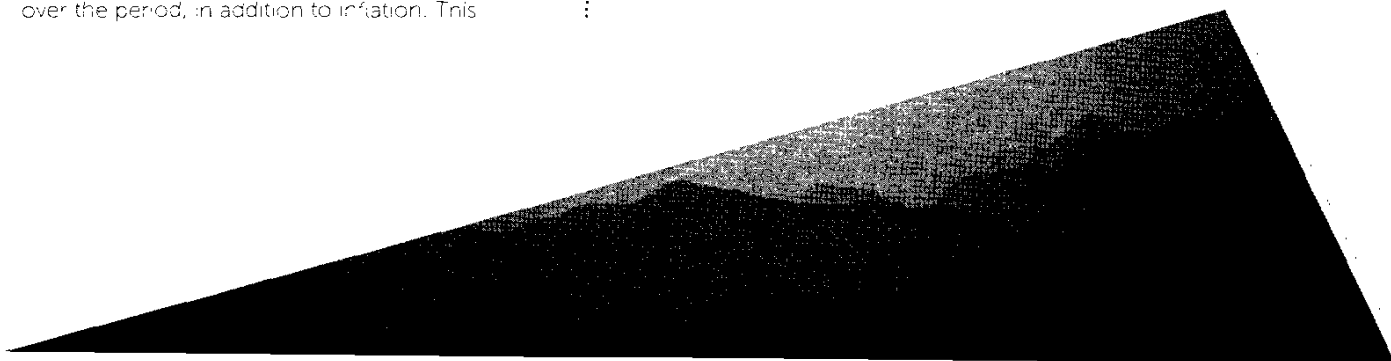
We remain a supportive employer, with more than 1,690 full-time staff across the businesses that we own and operate, and indirect employment provided for hundreds more people through contracts that we have in place.

A reflection on our year

Our business raised £404m from investors this year, delivered consistent revenues while growing capital deployment, resulting in £712m in revenue generated across the Group (2021: £425m) and net assets of £2,219m (2021: £1,888m restated).

The financial statements for the year show an operating profit before tax of £43m against our expected outcome of a small accounting profit. This robust performance is a direct result of energy produced by the group being sold for higher prices during the year. Almost 60% of our business comprises renewable energy generating assets such as solar energy sites and wind farms, which provide long-term revenue streams. These are intentionally diversified across a range of technologies to mitigate against poor performance in a specific sector and contribute towards steady, predictable share price growth, however, their values can still be impacted by changes in pricing and demand. We have seen consecutive and material increases in long-term energy price forecasts and energy forward rates globally over the last 15 months as the global economy recovers from the Covid-19 pandemic, and seeks alternative sources of energy as a result of the conflict in Ukraine. Along with inflation, these factors have materially increased the value of the Group's energy assets.

Our assets in these sectors have been bolstered this year with the acquisition of sites in complementary jurisdictions, as well as using our expertise to enter the UK commercial and industrial rooftop solar



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Chief Executive's review

markets and starting construction on a large wind farm in Australia. At the start of the year we added nine additional sites to our reserve power division which brings us up to 26 sites in total (compared to ten sites for most of 2021). These sites have performed ahead of expectations, generating EBITDA of £26m (2021: £1m) during the year.

Our successful and well-established biomass division continues to perform well and has delivered stable returns since acquisition in 2015. This year, I have been particularly pleased to see strong performance at our newest biomass site in Snetterton, East Anglia, which was acquired in April 2021, proving to be a valuable addition to the business. During the year we purchased a Waste-to-Energy facility currently under construction in Ayrshire. The facility has been in development for three years and will be capable of processing over 185,600 tonnes per annum of non-recyclable household, commercial and industrial waste which would otherwise be sent to landfill or exported. This will generate 17 MWe of low carbon electricity, enough to power 30,000 homes. It will be the first large-scale, subsidy free waste-to-energy project in western Scotland and projected completion date is in early 2024.

Over recent years, many of our energy assets have been under construction which has contributed to our previously reported accounting losses. This is typical of such businesses during growth phase even when cash generative, because finance costs and accounting charges, such as depreciation, exceeded revenues. This division has now reached our target size and sector split.

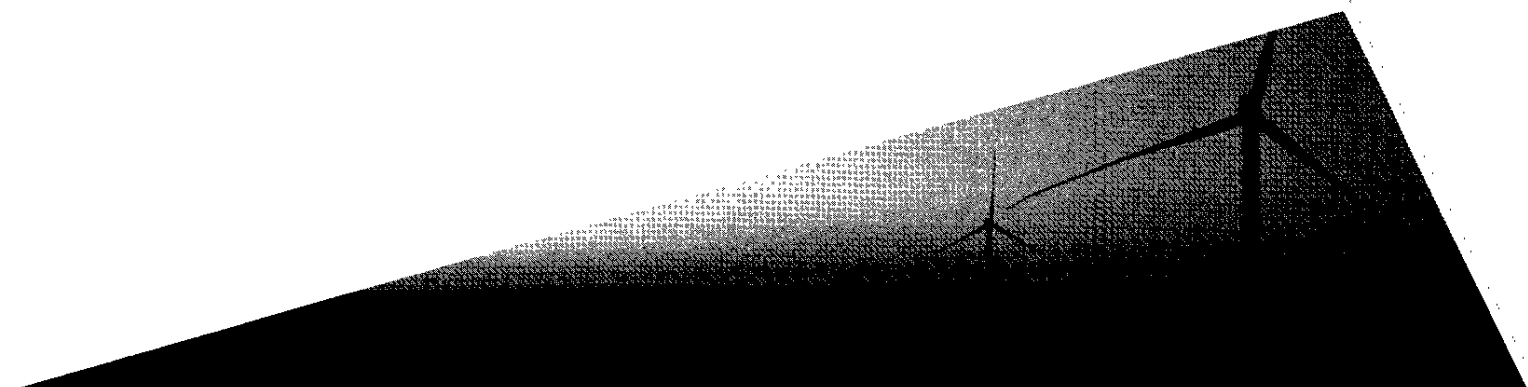
Accordingly this year I am pleased to report an accounting profit before tax of £48m against our budgeted small accounting profit. This slightly larger than expected profit is due to the maturity of the portfolio and higher energy prices; resulting in increased revenue from our energy division as well as an increase in inflation (as explained below).

Our property lending business makes up around 27% of the Group and comprises short and medium term secured loans to experienced property professionals. This established part of our business continued to perform well, following a short period of slow down during Covid-19 when we intentionally chose to write fewer loans. Our average loan book was 182 loans this year to UK borrowers.

Our lending division has always operated at conservative loan to value levels (below 70%), in order that it maintains access to valuable security if there is a reduction in property values. This strategy has served the Group well since inception 12 years ago, and it has operated through periods of change several times. The Group is taking a naturally cautious approach when assessing new lending opportunities in light of the changing economic outlook. To date, the Group has lent £2.2bn of property loans since inception in 2010, suffering only £6m in capital losses. This strong track record is the result of our careful approach in this sector, comprising disciplined due diligence, conservative loan-to-value ratios and an ability and willingness to reduce activity in this sector during times of economic uncertainty. We will continue to adopt this approach throughout the coming year.

The healthcare division makes up around 4% of the Group and is broadly performing well. Our retirement villages business, Rangeford Holdings Limited ("Rangeford") continued to sell apartments at three sites, commenced construction of a fourth village in Chertsey, and acquired a fifth location near Cambridge during the year. Sales at the Chertsey site are expected to commence in 2024, while construction at the Cambridge site is expected to start in 2023 with the first sales commencing in 2026.

Our fibre division was established in 2019 and remains an area of growth for the Group, now comprising of six operating businesses. Our residential businesses, Jurassic Fibre, Swish Fibre,



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Chief Executive's review

Giganet and Airpoints Fibre are building ultrafast "fibre to the premises" broadband networks in regions of the UK which have been overlooked by larger operators. Giganet provides connectivity to homes and businesses across the UK using CityFibre and Openreach infrastructure and Vitrifi is a software development company which has developed proprietary software to allow Internet Service Providers to sell connectivity over wholesale enabled networks, including Airpoints Fibre. Vorboss is the UK's only dedicated enterprise fibre network to focus on providing connectivity to businesses in London.

In the year, our residential fibre businesses continued to invest capital in expanding their networks in the Home Counties, the South and Southwest of England, and are now onboarding customers to their networks, generating recurring revenues for the Group. Our state-of-the-art networks are able to meet customer demand for higher broadband speeds required as a result of more working-from-home and increased usage of video-on-demand services. In London, Vorboss has also continued to build and has installed over 500km of fibre with a commitment to offer 10Gbps fibre to up to 15,000 businesses in Central London by 2027.

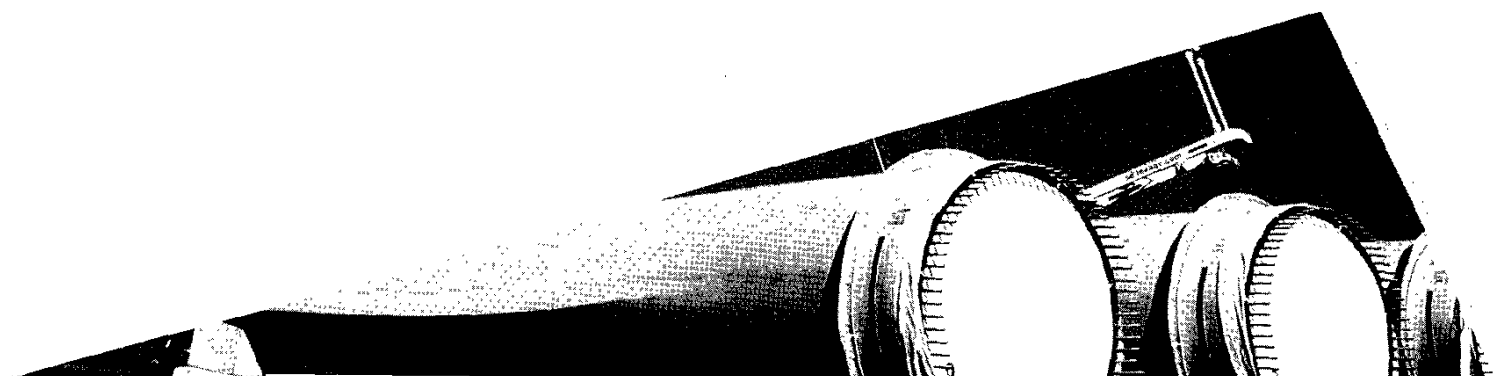
Whilst our fibre division remains in a growth phase for the next 3-5 years we do not expect it to report an accounting profit.

Towards the end of the year, we added a new property developer to the Group, with the acquisition of Elvia Homes ("Elvia") for £85m. Elvia is an established house builder developing mid-market family homes in London commuter towns and villages. While this represents a very small part of the Group, we plan to grow it in a measured way over the next five years with an ultimate target to deliver 600 homes per year, including 200 high quality affordable homes. Elvia has a strong existing leadership team who are key to running the business.

Inflation and Interest rates

The higher rate of inflation experienced this year has been responsible for some of the outperformance against expectations in the Company's share price. HM Treasury forecast that high inflation is likely to be present until 2025, as a result we expect to receive more revenue for the energy generated within our energy division, and a higher value from the government subsidies that some of our energy sites benefit from, increasing the value of those sites. However, a short period of high inflation such as forecast has very little effect on the rate at which the Group is expected to grow. This is because the renewable energy sites we own derive their value from discounted projected future cashflows over the time they are expected to operate for, typically 20 years or more. If the outlook for long-term inflation were to increase, the impact on our share price should be positive because it would increase the revenue each of our sites would expect to make, in contrast to a relatively fixed cost base.

The expected rise in interest rates is forecast to return to normal after a significant period of very low rates. The immediate impact of this on our business is expected to be broadly neutral since our Group is intentionally structured so as not to experience significant value erosion when interest rates change. We continue to take a cautious approach within our lending business where the rising interest rates are felt more closely, and we have the ability to reduce the number of loans we write, or alter the risk profile of our loans through reducing loan to value ratios or pausing activity in certain parts of the market should that feel appropriate.



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Chief Executive's review

Current trading and outlook

Since the year end, the Group has continued to perform steadily from an operational perspective and in line with our expectations albeit we have seen share price growth ahead of target due to the continued increase in long term energy price forecasts. Our growth targets for the Group over the medium and long term remain unchanged, and we continue to focus on maintaining a diversified business that is capable of delivering more predictable growth for shareholders.

The recently announced Electricity Generator Levy "EGL" within the 2023 Finance Bill, will have an impact on the returns generated from our energy portfolio over the next 5 years. This is further discussed in the group finance review on page 27.

Our property lending business continues to perform strongly, with increased deployment in this sector since the year end. We focus on short term loans (our average current loan term is 17 months) which enables us to adapt to changes in outlook swiftly, we feel this is particularly important in the current economic climate.


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

Since year end, we have continued to build out our fibre networks, with construction tracking in line with our expectations. We continue to review opportunities for both organic and inorganic growth supporting our existing management teams in delivering this strategy.

In December 2022 we have acquired the rights to £25m of right to use mobile licenses from Three UK, thus making the first step towards becoming an mobile virtual network operator.

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") is the parent company of nearly 320 subsidiaries (together the "Group"). Our Group operates across five key areas: energy, healthcare, lending, fibre and house building. Over the past twelve years we have built a carefully diversified group of operating businesses that are well positioned to deliver long-term value and predictable growth for our shareholders.

1. Energy division

We generate power from sustainable sources and sell the energy produced either directly to industrial consumers or to large networks. Many of our renewable energy sites qualify for government incentives, which represent an additional source of income. We have also utilised our expertise in renewable energy to construct facilities for sale or ongoing operation. At year end the Group had 21 sites under construction.

2. Healthcare division

We provide homes and leisure facilities to our ageing population, and private hospitals which provide high-quality healthcare services across operational sites in the UK.

3. Lending division

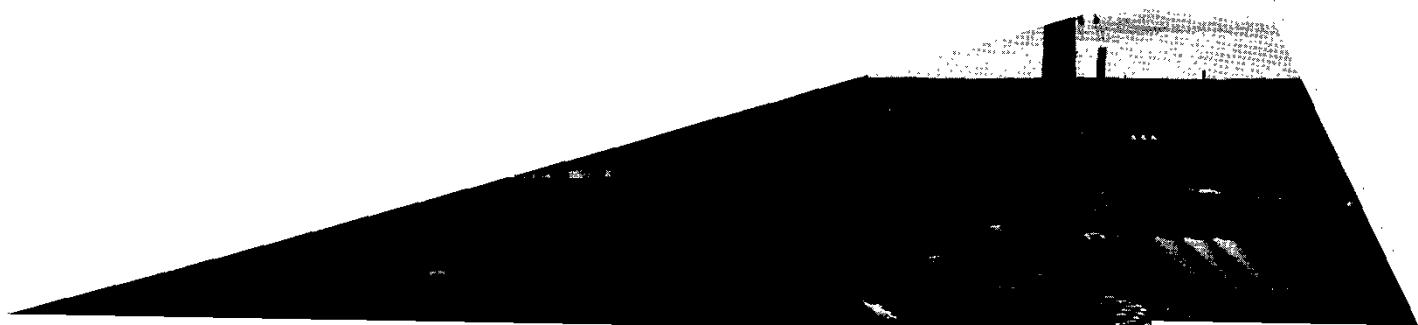
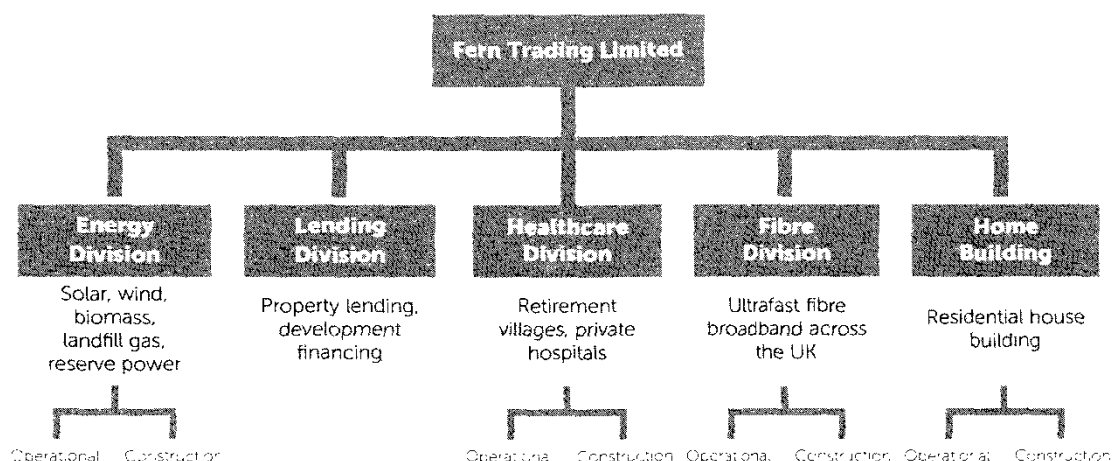
We lend on a short and medium term, secured basis to a large number of property professionals. We also provide financing to enable other business to build assets and other residential and commercial properties.

4. Fibre division

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

5. Home building division

During the year, we successfully entered the house building sector, acquiring Elvia Homes which has a strong track record of developing homes in a sustainable manner. The company is a full-service property developer, meaning it provides services from the design, to the engineering and then final construction to ensure the delivery of quality workmanship.



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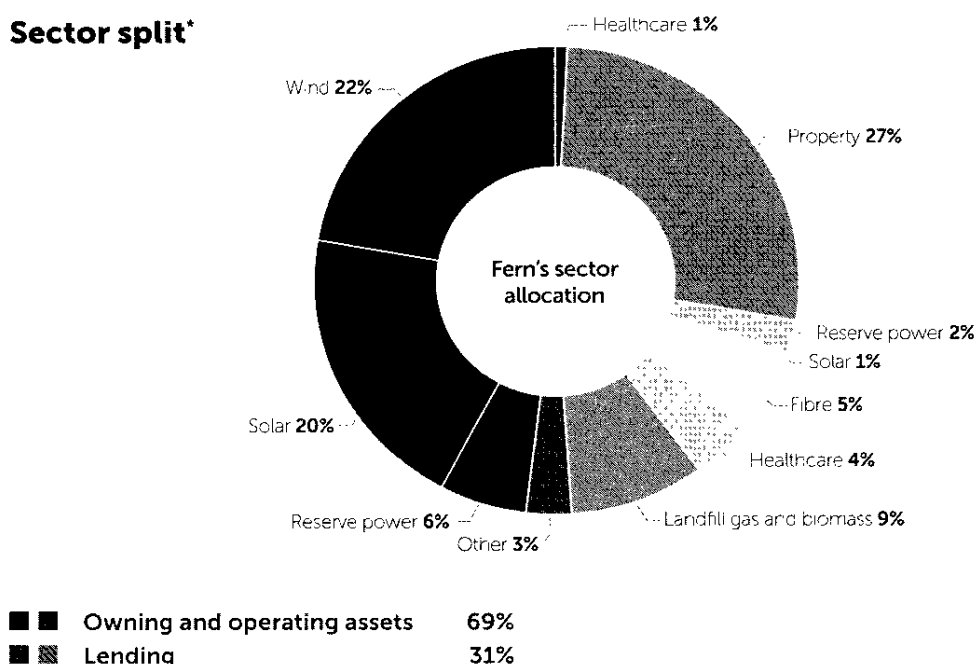
Our business at a glance

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, fibre and home building 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 and we now own six companies with exciting plans to deliver ultrafast broadband across the UK.

Sector split*



*Sector split is given by value, as represented on the company balance sheet of Fern Trading 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.



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.



2 | STRATEGIC REPORT

Our business at a glance

Making a difference

We are proud to operate a Group that makes 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 own 220 energy sites, producing 3.75GW a year. That's enough energy to power over a million 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. This year, the Fern Community Fund has awarded £1.4m to local community groups, supported 13 local university students through our Student Scholarship Fund, and provided a winter fuel subsidy to 706 residents who are local to the Group's assets.

Healthcare

Our retirement villages provide high-quality, contemporary living spaces, with 379 accommodation units currently in place, and schemes in various stages of development offering over 500 additional accommodation units.

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

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 24 taxi drivers and fleets to enable them to use electric vehicles, reducing carbon emissions in our capital.

Fibre

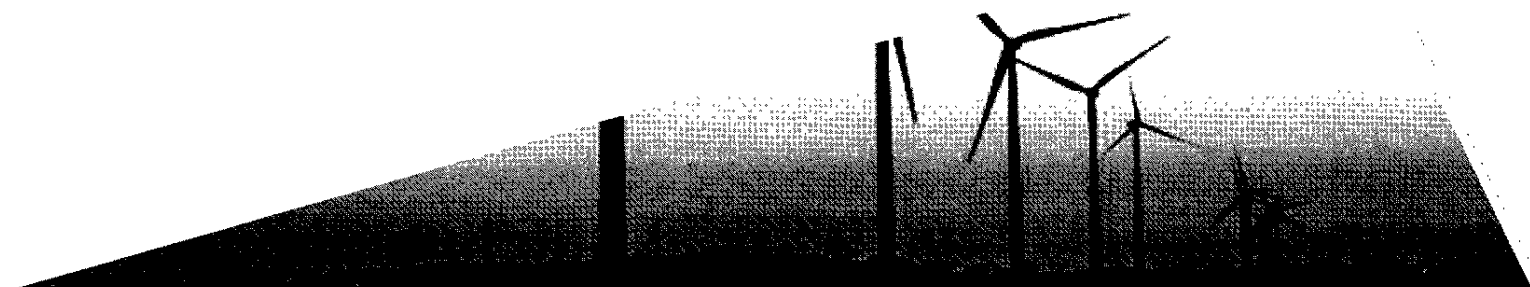
Through our fibre division we are building out the fibre optic broadband network across the UK. Four of our management teams are focussed on building out fibre optic broadband networks for residential customers and small businesses, and a fifth is building a fibre network to deliver enterprise connectivity. Our sixth is a software development company operating in the fibre sector and providing services to our group companies.

Within this division we have plans to create a network providing connectivity to over one million properties in the next three years, many of which are in small towns and villages that don't currently have access to internet connectivity fit for modern ways of working and communicating.

Not only are our fibre businesses 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.

Home building

Our home building division utilises a high proportion of sustainable timber frame construction methods and installs air source heat pumps in all properties, leading the way in this sector and helping reduce carbon emissions.



2 | STRATEGIC REPORT

Our strategy in focus

Our businesses

Energy

Through our energy division, the Group owns and operates energy sites which supply gas and electricity into the network, as well as constructing renewable energy sites for future sale. Of the 220 energy sites that we own and operate, 194 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 the network. 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. 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 60% of the Group's net assets. This part of our Group has

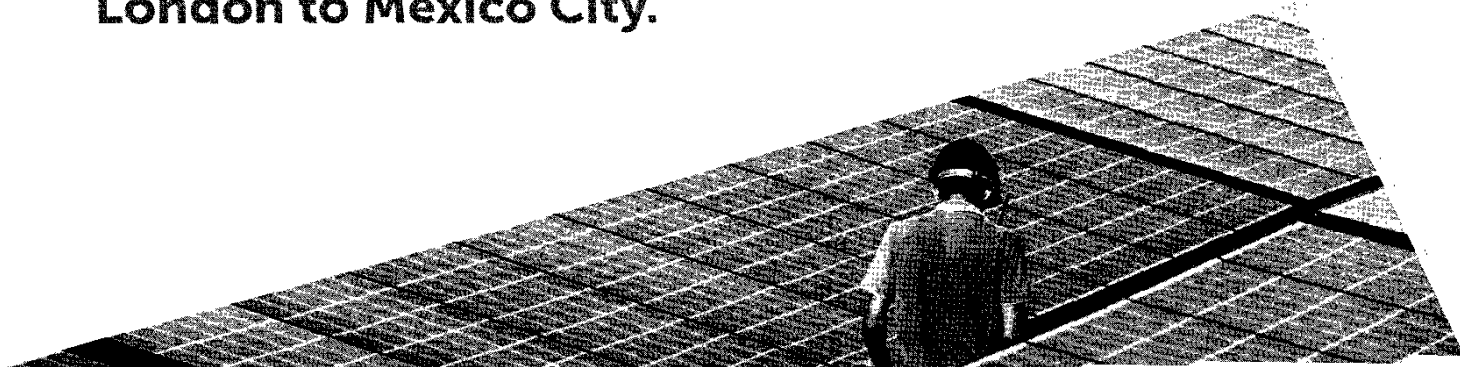
generated higher returns this year than expected due to market conditions but crucially it has the potential to provide stable returns over the long-term. This combination is key to our strategy to balance risk and return across the range of Group activities to generate target returns for shareholders.

"Our energy sites generated over 3,750 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 onshore wind, biomass and landfill gas, supported by reserve power plants which provide backup power to the National Grid. The Group therefore benefits from diversification within this part of its business, since 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 businesses spread across over 220 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

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

During the year we acquired nine reserve power plants and one energy from waste site. Following construction, we sold two wind farms in Finland and shortly after the year end we also sold Darlington Point, a large solar site in Australia.

Healthcare

Through our healthcare division, the Group operates in the private medical and retirement living sectors. Our retirement living business, Rangeford, owns and operates two retirement villages in Wiltshire and North Yorkshire and is currently developing three further sites for future operations.

Our private medical business, 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.

Since returning to normal working patterns we have seen an increase in the number of patients paying for their own treatment as they face long waiting lists for NHS treatment. Despite the lifting of widespread restrictions across the UK, Covid-19 continues to affect the acute care sector with a stressed NHS and increased infection control measures that remain in place.

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 twelve years. This well-established part of our Group mainly consists of 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.

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 large number of short and medium term loans spread across small projects to individual borrowers. We proactively manage counterparty risks through undertaking careful borrower due diligence, taking

"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 twelve years."



2 | STRATEGIC REPORT

Our strategy in focus

security over assets typically on a first charge basis and maintaining conservative loan-to-value ratios. Not all loans will perform as expected and these measures help to minimise the impact of performance issues on an individual loan. This is further mitigated through the value that we lend to individual borrowers, relative to our total loan book, which is currently spread on average across 182 loans, with an average individual loan of £2.3m.

Fibre division

Our fibre division includes five operational companies building fibre networks in the UK and one software development company.

Through our residential Fibre businesses, we are building new physical fibre networks for communities in the UK and so far have built out fibre infrastructure in underserved parts of Devon, Somerset, Dorset, Wiltshire, Hampshire, Worcestershire and the Home Counties. We are aiming to pass over one million homes over the next three years.

Building these large networks involves connecting large datacentres and telephone exchanges in the UK with homes and businesses, effectively replacing the copper wires that were laid in the first half of the 20th century. Jurassic, Swish and Giganet are vertically integrated, as they both own the fibre infrastructure and also have the end customer relationship as the internet service

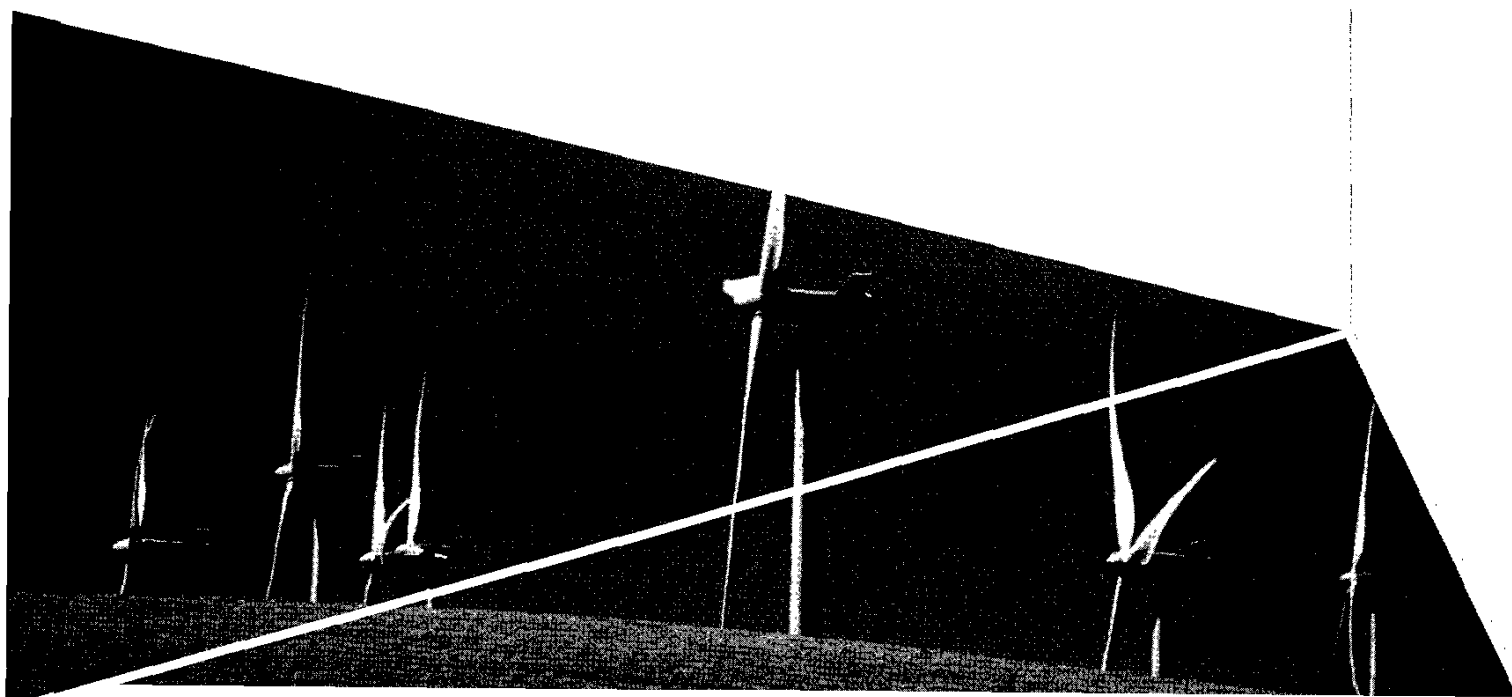
provider or "ISP". Allpoints owns fibre infrastructure and will onboard other ISPs to the Allpoints network to sell connectivity to the end customer.

Through Vorboss, we are building a network in London to supply business-to-business ("B2B") enterprise connectivity direct to business customers. Vorboss has installed over 500km of fibre optic cables in London since 2020 and has recently launched a single 10Gbps product to market, recognising that ambitious London businesses will quickly require more than the 1Gbps connectivity they've relied on to date.

We have seen rapid growth in our fibre division since 2018 and we expect this division to continue to become a larger part of our business over time. The Group expects to spend approximately £1bn of capital by 2025 to fulfil its build plans and reach more communities in need of ultrafast broadband.

Home building

Our new home building business, Elivia is a full-service housebuilder, acquiring land, developing the site, and subsequently selling the homes to individual buyers. These sites include a mix of open market and affordable houses and strive to deliver high quality aspirational homes. The business is growing fast with projected annual turnover of £250m and 600 houses built per year forecasted within the next 2-3 years.



2 | STRATEGIC REPORT

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 Officer

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.

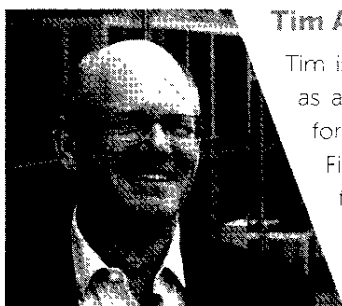
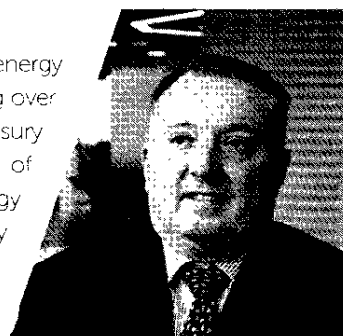


Keith Willey Non-Executive Chairman

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.



Tim Arthur Non-Executive Director

Tim is a chartered accountant with more than 25 years' international experience as a finance director of both public and private companies. Initially he worked for Price Waterhouse in Birmingham and Chicago. More recently he was Chief Financial Officer of Lightsource Renewable Energy Ltd, a global leader in the funding, development and long-term operation of solar photovoltaic projects. Tim brings extensive financial and accountancy knowledge to the Board as well as an understanding of dynamic technology businesses gained from his executive positions.





2 | STRATEGIC REPORT

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 activities, both by sector and geography.

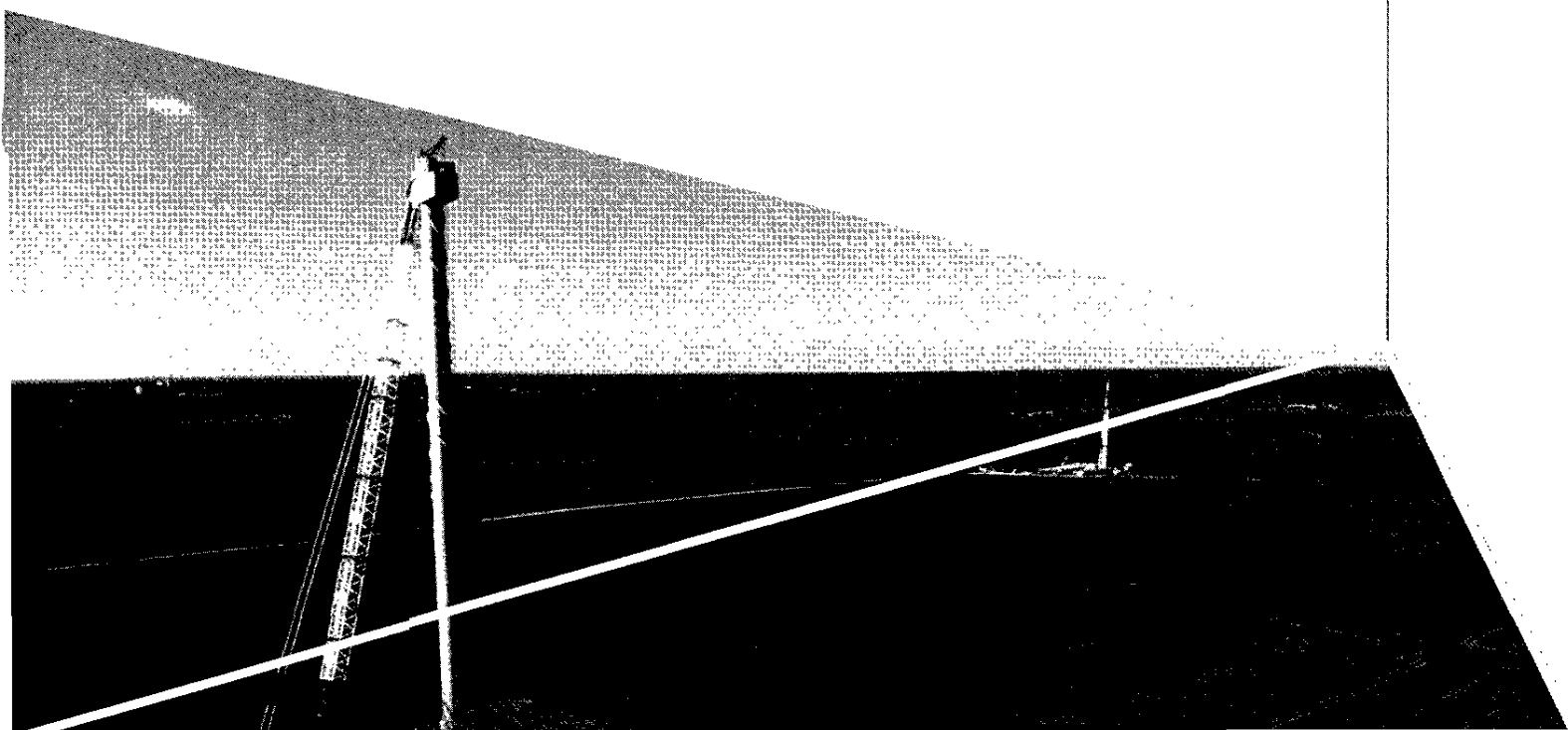
The principal risks that the Group are exposed to are described below, along with the mitigating actions we take to reduce the potential impact of the risk. We also include our assessment of whether the likelihood of the risk has increased, decreased or remained the same.

Energy Division		
Risk	Mitigations	Change
Market risk: The energy sector is experiencing significant turbulence and there is a risk that forecast levels of income are not achieved due to changes in wholesale energy prices, off-take contracts or government subsidies. Due to this turbulent environment, the potential for increased intervention by the regulator is also a risk. Changes in Government policy may result in reduced income streams within the group due to additional levies.	<ul style="list-style-type: none"> Contracts are entered into which fix the income for a portion of the energy generated by our sites Long-term government backed offtake agreements are in place, such as the Renewable Obligation Certification ("ROC") scheme. 30% of our energy income was generated from ROC revenue. We engage with the government and the Office of Gas and Electricity Markets ("OFGEM") to contribute to an industry voice with policy makers who set future regulatory requirements. 	 Increased (due to market instability)
Operational risk: Levels of energy produced may be lower than anticipated due to sub-optimal weather conditions or performance issues with equipment, which may result in significant unplanned down time.	<ul style="list-style-type: none"> Unpredictability of the weather is mitigated through diversification of technologies and location of sites. Regular servicing of assets is undertaken to ensure assets are kept in good condition and minimise the risk that assets are unavailable for a longer period. 	 No change
Financial risk: Revenues (from energy generation) or sale proceeds (from the sale of sites) generated from overseas sites are lower than expected due to fluctuations in foreign exchange rates.	<ul style="list-style-type: none"> Management ensures only a small portion of the Group's assets and revenues are expected to be derived from overseas sites 	 Increased (due to volatile FX movements)
Construction risk: Construction of the sites takes longer or is more costly than anticipated due to resource availability or increased cost of raw materials.	<ul style="list-style-type: none"> The Group enters fixed price contracts with contractors where appropriate to reduce exposure to increasing costs 	 No change

2 | STRATEGIC REPORT






Principal risks and uncertainties

Fibre Division		
Risk	Mitigations	Change
Market risk: Expected sales from customers are lower than anticipated due to increased competition from other providers A change in policy by the regulators in favour of larger operators could impact our ability to deliver planned development reducing revenues and efficiencies gained from a larger presence in a particular area	<ul style="list-style-type: none"> Management regularly reviews the competitive landscape in target build areas to ensure plans do not conflict with other alternative network operators Management engages proactively with the Office of Communications and the Government to ensure the benefits of smaller operators are well understood and its interests are appropriately represented We are an active participant in relevant industry bodies, particularly those representing alternative network operators. 	 Increased (due to more competitors in the market)
Construction risk: Construction of the network takes longer or is more costly than anticipated due to resource availability or increased cost of raw materials	<ul style="list-style-type: none"> The Group has contracted with a number of different suppliers to reduce the exposure to any one individual entity. Selection of outsource partners is managed through a detailed procurement process with long term visibility of work allowing partners to plan financial and people resources accordingly. Where supply chain problems are expected for critical items our teams generally have 6 months stock of fibre, duct and other materials on hand, and advance order technical equipment with long lead times 	 Increased (due to increasing demand for resource in the sector as alternative network providers scale build)
Operational risk: Network service is interrupted or unreliable leading to potential loss of customers and reputational damage.	<ul style="list-style-type: none"> Our networks are built in a resilient way with diverse route options should a failure occur in one route. This, combined with an ability to identify and resolve connectivity issues quickly, minimises downtime of the networks 	 No change







2 | STRATEGIC REPORT

Principal risks and uncertainties

Lending Division		
Risk	Mitigations	Change
Market risk: Increasing inflation and interest rates lead to a market-wide affordability issue, resulting in a drop in property values across all sectors of real estate. This may impact our ability to recover a loan in full through a refinance or sale.	<ul style="list-style-type: none"> The teams pro-actively manage our position in the marketplace and are prepared to enforce where needed if a loan moves into default. Our loans are made at conservative loan-to-value (LTV) ratios with a maximum LTV of 70%. 	 No change
Counterparty risk: Loans may be made to unsuitable counterparties, impacting our ability to recover the loan balance in full.	<ul style="list-style-type: none"> Loans are secured against physical underlying security, such as a charge over the property or other assets of the borrower. These are typically on a first charge basis to ensure maximum chance of recovery should enforcement action be needed. Thorough due diligence is performed prior to writing loans, including property or land valuations and credit checks done on borrowers. Where loans are written for assets under construction, milestones and covenants are put in place to ensure stages are complete prior to releasing further drawdowns. 	 Increased (due to unstable economic climate)
Healthcare/Home Building Divisions		
Risk	Mitigations	Change
Market risk (Healthcare and Home Building): A fall in house prices could impact our ability to generate expected revenue from the sale of apartments in our retirement villages and houses built by Elvia.	<ul style="list-style-type: none"> Planning consents on undeveloped land are optimised to maximise revenues and reduce the risk of losses on sale. 	 Increased (due to unstable economic climate)
Construction risk (Healthcare and Home Building): Construction takes longer or is more costly than anticipated due to resource availability or increased cost of raw materials.	<ul style="list-style-type: none"> The Group enters fixed price contracts where appropriate to reduce exposure to increasing material costs. The Group only works with reputable 3rd parties with a strong track record of delivering similar projects. 	 No change
Health and Safety risk (Healthcare): The prevention of injury or avoidable loss of life of our patients is of utmost importance and is critical to maintaining a good reputation. Litigation as a result of medical malpractice could result in damage to reputation and increased costs.	<ul style="list-style-type: none"> The Group maintains robust policies and procedures relating to the provision of medical services. We review this through conducting regular internal inspections and are also subject to external inspections by regulatory bodies. The Group has insurance policies in place to cover financial losses due to medical malpractice claims. 	 No change

2 || STRATEGIC REPORT

Principal risks and uncertainties

Group		
Risk	Mitigations	Change
Market risk: An increase in base rates may increase costs on debt facilities, impacting the Group's ability to service debt as it falls due.	<ul style="list-style-type: none"> Where floating rate debt is in place (where interest varies in line with an underlying benchmark rate), the Group enters into hedging arrangements to fix a portion of these payments throughout the term of the facility. Hedging arrangements are outlined in Note 21 of the financial statements. 	 Increased (due to rise in interest rates)
Liquidity risk: Poor management of cash within the Group could impact the Group's ability to meet obligations as they fall due.	<ul style="list-style-type: none"> A detailed cash flow forecast is prepared and reviewed by management on a monthly basis, incorporating cash availability and cash requirements across the Group. On at least a quarterly basis this is shared with the Board. The Group monitors bank covenants on an ongoing basis to ensure continued adherence to covenants. Where covenants can't be met, forecasts are updated for the lower cash available as a result of the restriction. The Group has a flexible finance facility which can be drawn on at short notice to meet immediate business needs. 	 No change
Health and Safety risk: The safety of our employees and those employed through contracts are of paramount importance. There is a risk that accidents in the workplace could result in serious injury or death.	<ul style="list-style-type: none"> We have developed robust health and safety policies in compliance with ISO45001 across the Group to ensure the well-being of our staff. Health and safety training is provided to our staff and contractors on a regular basis. 	 Increased
Cyber Security risk: An attack on our IT systems and data could lead to disruption of our operations and loss of customer data. Loss or misuse of data may result in reputational damage, regulatory action under GDPR and potential fines.	<ul style="list-style-type: none"> We employ a Chief Information Security Officer ("CISO") who is responsible for data security across the Group and reports quarterly to the Board. The CISO works closely with our businesses to ensure adequate standards of security and information management are met. Each of our businesses that hold customer data has their own dedicated resource for IT and security. 	 No change

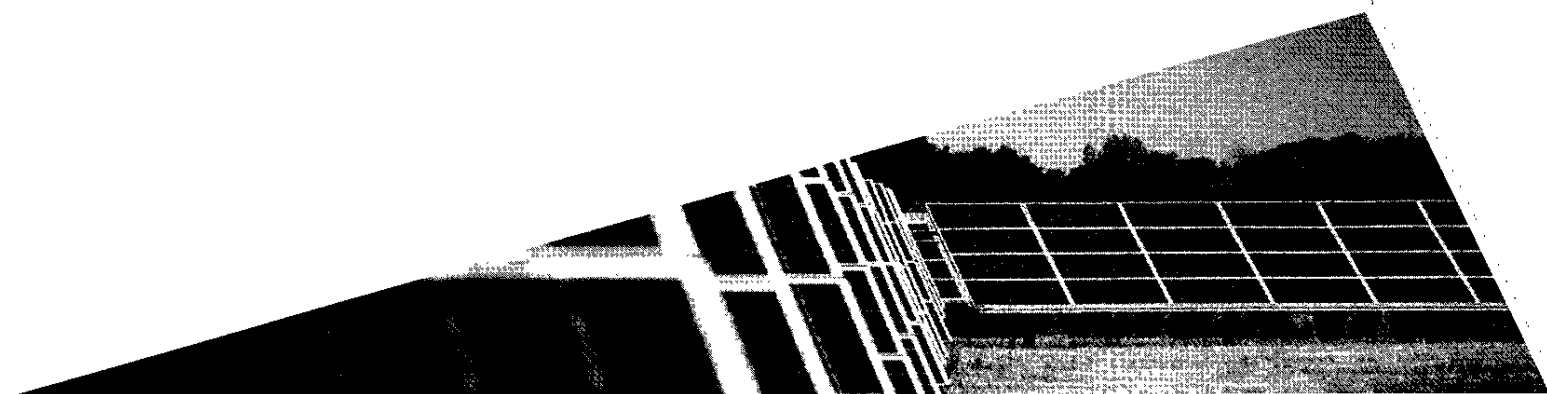
The strategic report was approved by the Board of Directors on 16 December 2022 and signed on its behalf by:



PS Latham

Director

16 December 2022



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Corporate governance

Section 172 (1) statement

The Board consider that they have adhered to the requirements of section 172 of the Companies Act 2006 (the "Act"), and have, in good faith, acted in a way that would be most likely to promote the success of the Group for the benefit of its members as a whole (having regard to all stakeholders and matters set out in section 172(1)(a-f) of the Act) in the decisions taken during the year ended 30 June 2022.

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

At every Board meeting a review of health and safety across the group, financial and operational performance, as well as legal and regulatory compliance, is undertaken. The Board also 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 2022:

- Evaluating and deciding to move ahead with increasing wind operations, which is part of our renewables division. In August 2021 the

Group acquired a large scale, ready to construct wind site in Australia. This deployment aligns with the Group's strategy to continue to develop renewable energy sites which provide predictable, long term revenue streams. The Board considered the opportunity and how it aligned with our objectives to make a positive contribution to the community and environment.

- The Group decided to expand into our newest division, house building. In May 2022 the Group acquired Eliva homes, a full-service property developer, providing services from the design, to the engineering and then final construction to ensure the delivery of quality workmanship. Diversifying the Group's asset base and entering into this new sector has been well thought out with long term growth in mind. The Board assessed the strategic opportunities within the sector before deciding to move ahead with this acquisition, considering how this would impact existing businesses within the division and how it aligned with the Group's strategic objectives to deliver long-term value and predictable growth for our shareholders.
- Reviewing and deciding to move ahead with increasing biomass operations which is part of our renewables division. In October 2021 the Group acquired a large scale, waste-to-energy construction site in Scotland. This deployment aligns with the Group's strategy to continue to diversify the Group, develop renewable energy sites which provide predictable, long-term revenue streams, and provide resilience against wholesale pricing changes in the UK energy market. The Board considered the opportunity and how it aligned with our objectives to make a positive contribution to the community and environment.



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Corporate governance

- The board decided to change audit firms via a tender process for the year ended 30 June 2022. The Group had changed significantly since the previous auditors were appointed and therefore we were unable to reliably assess the value for money we received. Three firms underwent the tender process and Ernst & Young LLP were selected because of their strong commercial understanding of our business, efficient audit methodology and value for money.

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 oversight 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

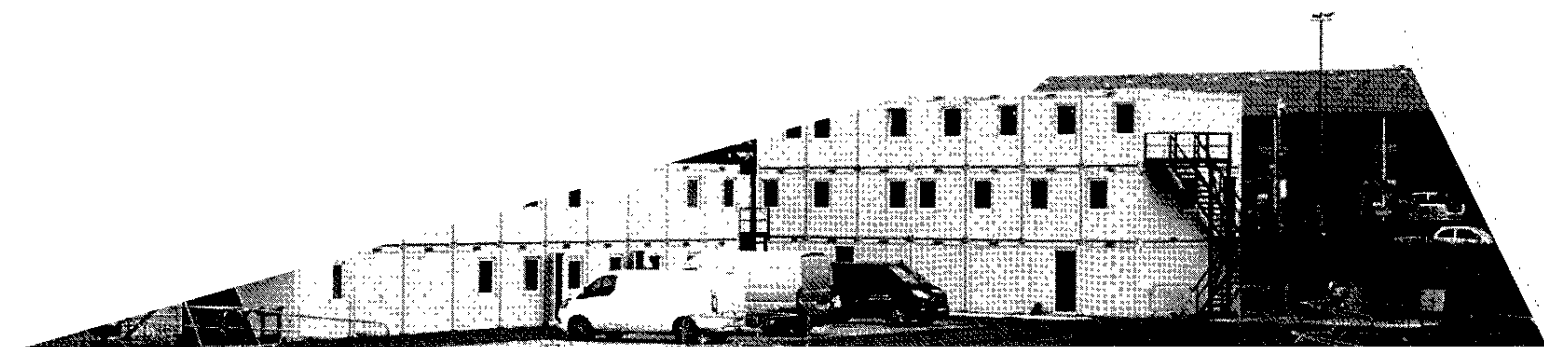
and ensure that people are treated fairly and are valued with respect to pay, benefit and conditions. We fully realise that our employees wish to be informed and consulted on matters affecting their work and to be involved in problem-solving affecting their own areas of interest and responsibility. The 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



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Corporate governance

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.

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 2022 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 29. 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. 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 show assets at cost, as such they do not reflect the future value that we expect to derive from these businesses. To that extent accounting performance may differ materially from

the share price and may not reflect changes in the full market value of assets or businesses owned by the Group.

A number of acquisitions were made during the year, including nine operational reserve power sites, a waste to energy site under construction, a construction ready wind farm in Australia and seventeen solar rooftop sites under construction. Shortly after the year end, in July 2022, we sold Darlington Point, a large solar site in Australia.

To support continued expansion, we had built up cash reserves at year end of £256m which included a large cash inflow of £97m from placing external refinancing in Darlington Point prior to sale.

	2022 £'000	(restated) 2021 £'000	Movement	
			£'000	%
Revenue	711,830	425,302	286,528	67%
EBITDA	194,916	104,036	90,880	87%
Profit (loss) before tax	47,604	(22,663)	70,267	310%
Lending book (net of provisions)	360,901	385,512	(24,611)	(6%)
Cash	256,415	172,478	83,937	49%
Net debt	793,169	699,440	93,729	13%
Net assets	2,219,448	1,887,842	331,607	18%

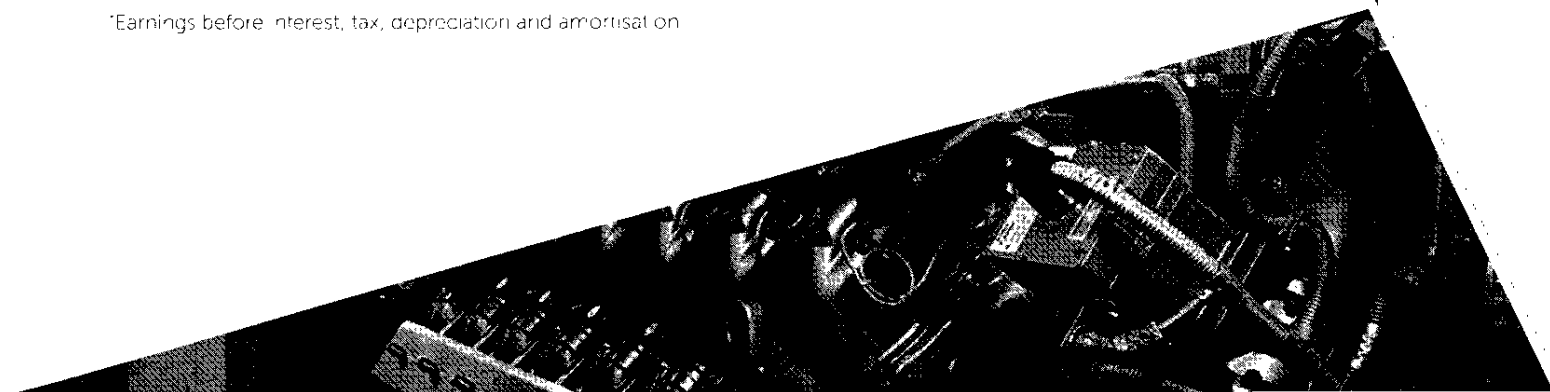
Financial performance

Overall, the Group has reported a profit before tax of £47.6m for the year ended 30 June 2022, which is a £70.3m improvement on the prior year (2021: £22.7m loss restated). Overall EBITDA* increased by 87% to £195m (2021: £104m restated), which is primarily due to increased energy generation as well as increased energy prices.

Revenue increased by £287m to £712m (2021:

£425m) which was predominantly driven by a 84% increase in revenue within our energy division. This growth is two fold, increased energy generation from having owned/operated one of our biomass plants for the full year and a large solar plant in Australia reaching commissioning; and a significant increase in average energy prices over the year due to the mismatch between supply and demand, exacerbated by the ongoing conflict in Ukraine.

*Earnings before interest, tax, depreciation and amortisation



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Group finance review

Revenue growth was strongest in our energy division but we also saw a marked improvement in revenue from our retirement villages. This part of our business has rebounded well from the lockdowns required by the Covid-19 pandemic response, selling 41 units in the year (an increase of 52%) and an increasing in revenue of £7.5m to £20.4m (2021: £12.7m).

Revenue from our lending division saw a drop of 25% to £42m (2021: £57m) due to a smaller average loan book over the year as cash was made available to grow other parts of the business.

Operating expenses for the year were in line with our expectations, with the increase primarily driven by increased operating costs in our fibre division as it has expanded. Refinancing external debt to secure improved terms over the past two years has contributed to a decrease in interest costs of £2.5m to £33.6m (2021: £36.1m).

Included in the results this year is a profit of £28m recognised on the sale of two wind farms in Finland and a realisation of £1.6m of deferred consideration on solar sites sold in previous years.

Financial position

Continued shareholder interest and investment has seen net assets grow to £2,219m (2021: £1,888m restated). In the year ended 30 June 2022, we issued 120m shares (2021: 150m) for a total consideration of £204m (2021: £2,317m). The comparative year numbers include £1,993m of consideration relating to group restructuring.

Net current assets of £808m (2021: £663m restated) have increased by £145m, reflecting the reduction in external financing and an increase in work in progress within the fibre and house building divisions. Our loan book in property lending has decreased by 6% to £361m (2021: £386m), and at 30 June 2022 represented 16% of net assets (2021: 21%).

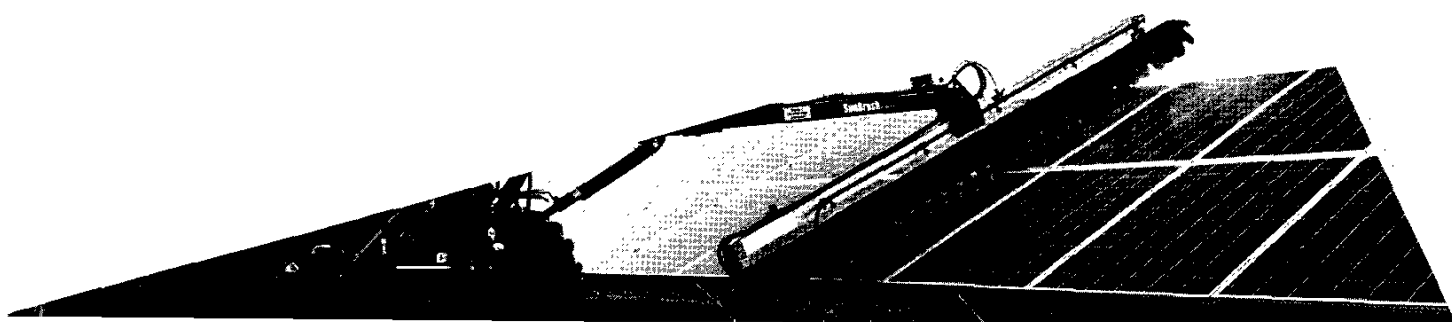
Cash and cash equivalents as at 30 June 2022 were £256m (2021: £172m). Cash generated from

operating activities decreased to £42m (2021: £342m) which has been utilised alongside external long-term financing and capital raised by new share issues to grow the business. We have invested substantially into the fibre broadband sector over the past four years which will require further capital expenditure over the next 3-5 years, increasing our diversification across sectors.

Of the cash held at year end, £211m was held in our energy, home building 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 months after year end.

Goodwill, at £541m (2021: £567m restated), continues to be 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. The 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, typically over the life of the site, as expected returns are realised.



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Group finance review

Sector performance

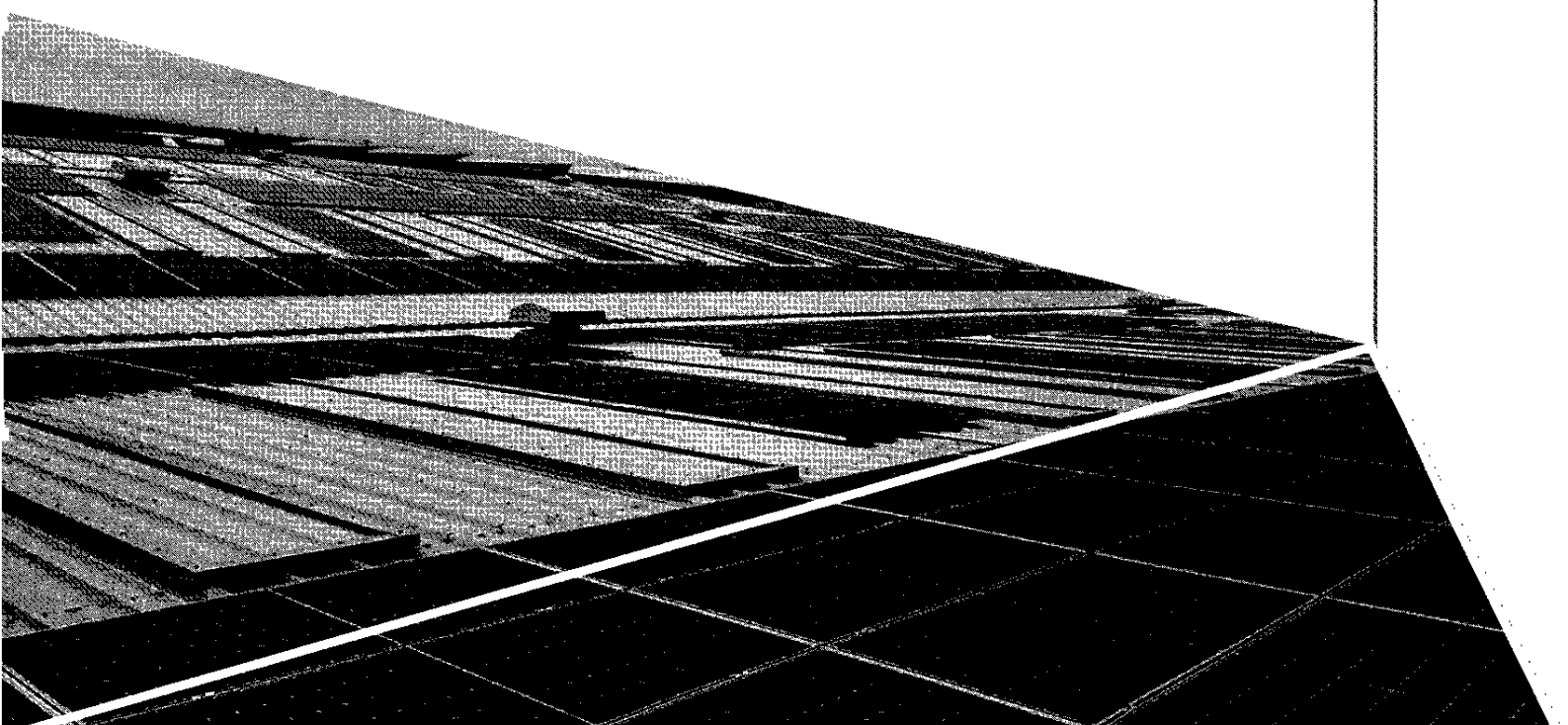
Energy

As economic activity and global demand increased throughout 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. These market factors have resulted in an increase in revenue of 84% to £593m (2021: £322m).

Correspondingly, EBITDA also increased by 112% to £266m (2021: £126m restated) reflecting the significant increase in energy revenue. Overall total operating costs increased by £130m to £327m

(2021: £196m restated), partially driven by increased site costs where £120m was incurred at our biomass sites and £93m at our reserve power sites, the prices for raw materials have increased, on average, by 69% due to an increase in the supply costs. The combined cost of sales for the reserve power and biomass sites increased by £110m to £217m (2021: 107m). It should be noted that the revenue generated by the biomass and reserve power sites increased by £192m during the year to £353m (2021: £161m).

	FY2022 Production (MWh)	FY2021 Production (MWh)	FY2022 External Availability	FY2021 External Availability
Biomass	1,050,038	886,553	84.6%	83.2%
Landfill Gas	240,226	256,026	97.9%	97.6%
Reserve Power	403,355	141,086	94.2%	92.0%
Solar	554,858	517,112	97.7%	96.0%
Wind	851,214	881,241	90.5%	93.1%
Total	3,099,690	2,682,019		



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Group finance review

Healthcare

Healthcare operations contributed £46m (2021: £42m) to Group revenues for the year reflecting the impact of increased revenue in Rangeford. Sales of apartments at the retirement villages have rebounded well from the lockdowns required by the Covid-19 pandemic response, selling 41 units in the year (an increase of 52% from 2021) and increasing revenue by £7.6m to £20.2m (2021: £12.7m).

Lending

Revenue from lending decreased by £14m to £42m (2021: £57m) primarily due to a smaller average loan book for 2022, which resulted in a decreased revenue stream for the year. The total loan book reduced by 6% to £361m at the year end (2021: £386m). This reduction in the loan book enables cash to be available for opportunities across other sectors within the Group including acquisitions and construction. The make-up of the loan book has shifted slightly where we have issued a higher number of smaller loans within the residential sector, as well as more larger loans in the development sector and the commercial sector.

EBITDA for the lending division decreased to a loss of £8.7m from a profit of nearly £1m in the prior year. This movement reflects a provision of £25m in the loan book against loans to reserve power sites and a provision against a healthcare loan of £14m. In the year to June 2022, £39m was provided against loans versus £21m in the prior year.

Fibre

As a relatively new division, all the fibre businesses are in the build phase and are starting to add customers to their networks. By 30 June 2022, the division had build passed over 150,000 homes. We anticipate the build stage to continue for a further 3-5 years as we expand the fibre networks. Although building a fibre network is capital intensive and leads to a physical asset on balance sheet, the

division also incurs large operating expenses as the businesses scale their operations and develop market presence. Overall, the division reported an EBITDA loss of £55.4m (2021: £23.5m loss), which is in line with expectations and reflects the developmental stage of the division.

As we build these networks out, the assets will be recognised on the balance sheet at cost which cannot include future value which is expected to be generated as the assets have been internally generated. This is different to the share price where the future value expected to be generated from the assets is included.

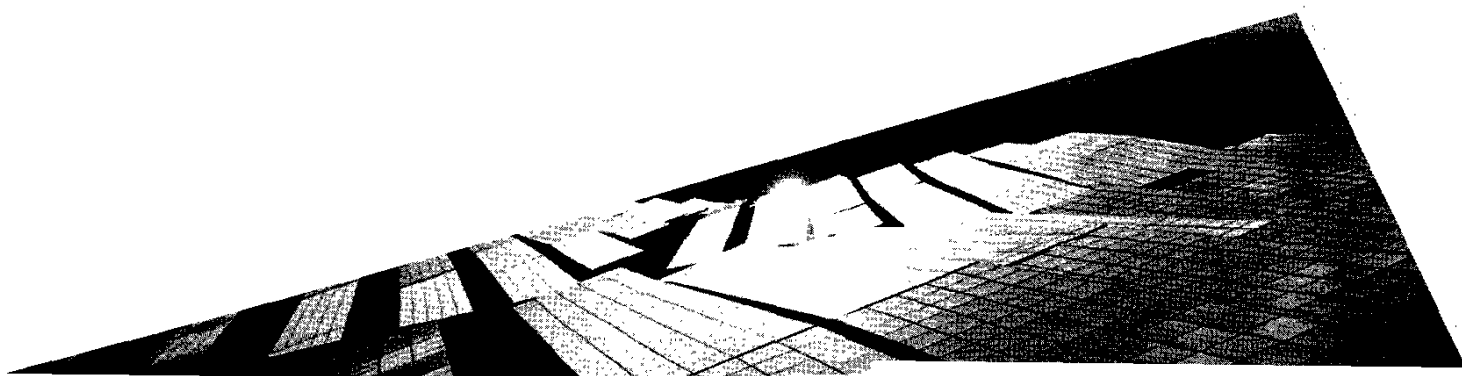
Home building

Elvia Homes was acquired in May 2022 and has therefore had limited impact on the financial performance during the year. The business is forecast to deliver £78m revenue and £6.5m EBITDA for the year ended 30 June 2023. Results from the first quarter of 2023 indicate the business is broadly performing in line with expectations.

Funding and liquidity

Our strategy is to secure long term financing at conservative levels from mainstream banks to enhance returns from our renewable energy businesses. At year end we had £1,044m of external project financing with £441m of headroom available.

This enables us to acquire businesses that the market considers to have stable characteristics such as predictable cost base, revenue streams, government incentives or proven technology and as such have lower returns that without leverage would be insufficient for our shareholders. It also allows us flexibility in financing our businesses and managing cash flow. We believe that failing to adopt this strategy would have a negative impact on business return and shareholder value over the long term. Approximately 80% of our interest payable is fixed and therefore we are not significantly exposed to



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Group finance review

the current interest rate volatility. 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 down or repaid to meet immediate business needs.

Looking ahead

The Group has rebounded well from the effects of the Covid-19 pandemic and has outperformed expectations. Whilst the current economic outlook is one of challenge and uncertainty, we anticipate minimal impact on our results due to the predictable revenue streams and cost base, and essential nature of our activities. Coupled with the diversification we have built up across the business, we are positioned strongly for these turbulent times ahead.

We continue to pay particular attention to the twin challenges of rising interest rates and surging inflation – both in terms of lending and portfolio management. These trends impact all areas of the Group's business and are likely to remain for the foreseeable future, so we remain disciplined in our investment approach, continuing to monitor the situation carefully and taking a prudent approach to any current and emerging risks.

We are positive about the continued opportunity for growth and continue to believe that the business is positioned well to take advantage of future growth opportunities across its core business areas. Energy, lending and house building operations are well established in the market and continue to make excellent progress with robust performances in the new financial year. In line with our planned strategy, since the year end we sold a large solar farm in Australia for a small profit, with proceeds being redeployed into new opportunities.

Deployment into fibre continues to roll out in line with expectations and the Group has now passed more than 150,000 homes by our fibre networks. Sales activity in our healthcare division remains strong, with nearly 40% of annual sales budget already completed or reserved across all sites as at the end of September.

Announced within the autumn statement as part of the 2023 Finance Bill, the UK Government will enact a 45% windfall levy ("Electricity Generator Levy" or "EGL") on wholesale energy market revenues in excess of £75/MWh. This is expected to apply to the Group from 1 January 2023 to 31 March 2028. The exact legislation will be published in mid-December 2022, but based on the initial release an impact analysis has been performed as at 30 September 2022. We estimate the impact to be a drop in valuation of approximately £45m for the sites affected, which contributed to a 2.0p decrease in the share price to 177.0p in December 2022.

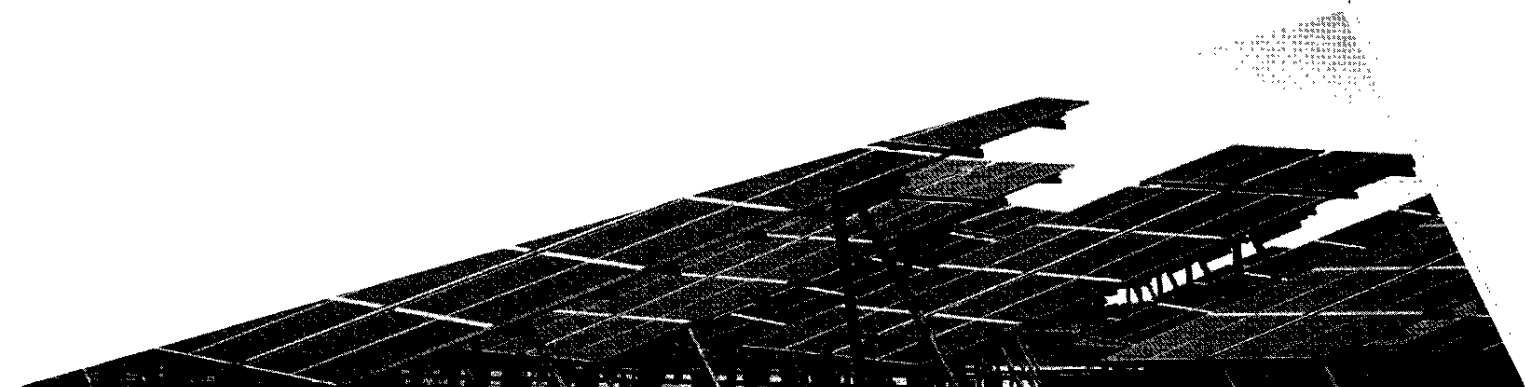
We expect to generate strong operating returns from our established divisions for the coming years, in addition to the anticipated outflows for our construction phase assets. The healthcare and fibre divisions are well into their build phase in line with our long-term strategy and we anticipate strong returns over the next five to seven years upon maturity.



PS Latham

Director

16 December 2022



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Directors' report for the year ended 30 June 2022

The directors present their report and the audited consolidated financial statements of the Group for the year ended 30 June 2022.

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 (2021: ENI).

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 Latharn

KJ Willey

PG Barlow

T Arthur (appointed 1 July 2022)

Corporate governance

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

Environmental, social and governance (ESG)

Refer to the Strategic Report on page 8

Human resources

Refer to the Strategic Report on page 12

Business development

Refer to the section 172 statement on page 21

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

Directors' election and director's remuneration

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

Environmental, social and governance (ESG) related risks and opportunities

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 2022

Employment 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.

Company secretary

The Group has in place an agreement with Octopus Investments Limited to provide services to the Group covering operational oversight, administration, company 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 is the only Company in the Group that meets the reporting criteria and therefore no information is provided for the Group as a whole.

Anti-bribery

The Group 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.

Financial reporting

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 2022

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.

Director's confirmation

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

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

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

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

The Directors' report was approved by the Board of Directors on 16 December 2022 and signed on its behalf by



PS Latham

Director

16 December 2022



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Independent auditors' report to the members of Fern Trading Limited

Opinion

We have audited the financial statements of Fern Trading Limited ('the Parent Company') and its subsidiaries (the 'Group') for the year ended 30 June 2022 which comprise the Group Statement of Comprehensive Income, the Group and Parent Company Balance Sheet, the Group Statement of Cash Flows, the Group and Parent Statement of Changes in Equity and the related notes 1 to 29, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the Group's and of the Parent Company's affairs as at 30 June 2022 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

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

Conclusions relating to going concern

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

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

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

Other information

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

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in



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Independent auditors' report to the members of Fern Trading Limited

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or Directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or

- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

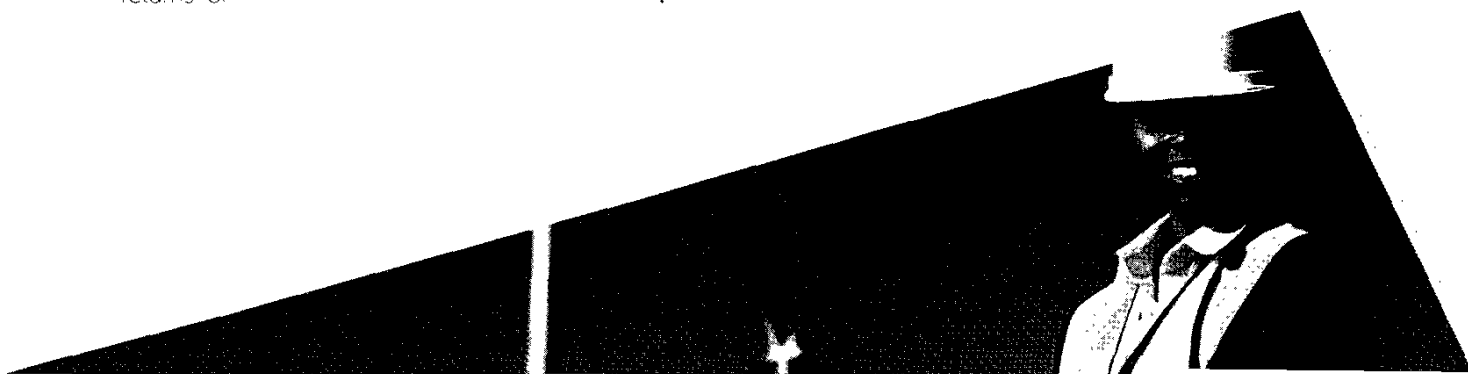
Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on pages 29 and 30 the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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



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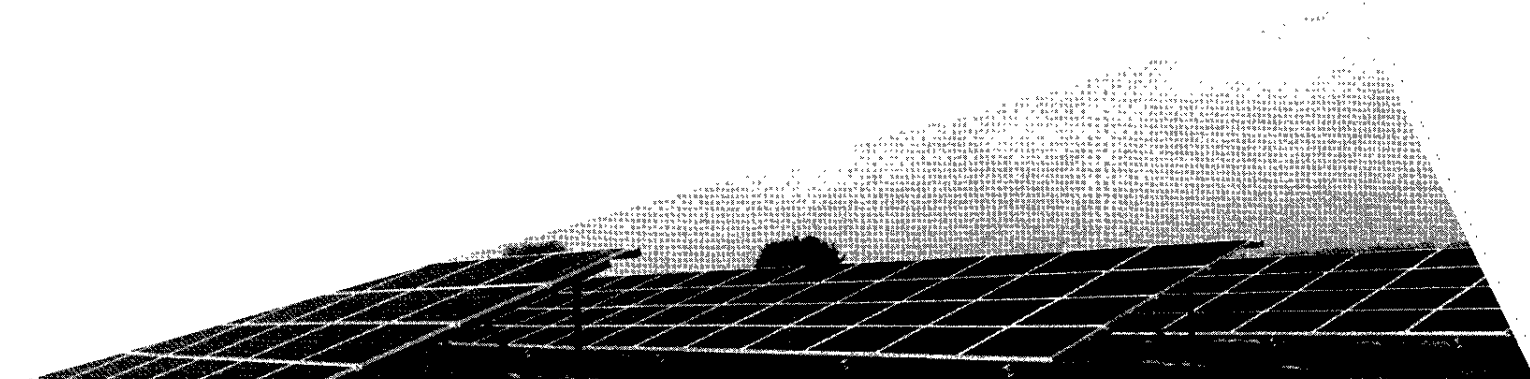
Independent auditors' report to the members of Fern Trading Limited

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and determined that the most significant are those that relate to reporting framework (FRS 102 and the Companies Act 2006)
- We understood how Fern Trading Limited is complying with those frameworks by making enquiries of management, those charged with governance and those responsible for legal and compliance procedures as to any fraud risk framework within the entity, including whether a formal fraud risk assessment is completed. We corroborated our enquiries through review of the following documentation or performance of the following procedures:
 - obtaining an understanding of entity-level controls and considering the influence of the control environment;
 - obtaining an understanding of policies and procedures in place regarding compliance with laws and regulations, including how compliance with such policies is monitored and enforced; obtaining an understanding of management's process for identifying and responding to fraud risks, including programs and controls established to address risks identified, or otherwise prevent, deter and detect fraud, and how senior management monitors those programs and controls;
 - review of board meeting minutes in the period and up to date of signing
- We assessed the susceptibility of the Group's financial statements to material misstatement, including how fraud might occur by holding a discussion within the audit team which included:
 - identification of related parties,
 - understanding the Group's business, the control environment and assessing the inherent risk for relevant assertions at the significant account level including discussions with management to gain an understanding of those areas of the financial statements which were susceptible to fraud, as identified by management; and
 - considered the controls that the Group has established to address risks identified by the entity or that otherwise seek to prevent, deter or detect fraud including gaining an understanding of the entity level controls and policies that the Group applies.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved testing of journal entries through journal analytics tools, with focus on manual



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Independent auditors' report to the members of Fern Trading Limited

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

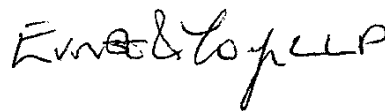
A further description of our responsibilities for the audit of the financial statements is located on the

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

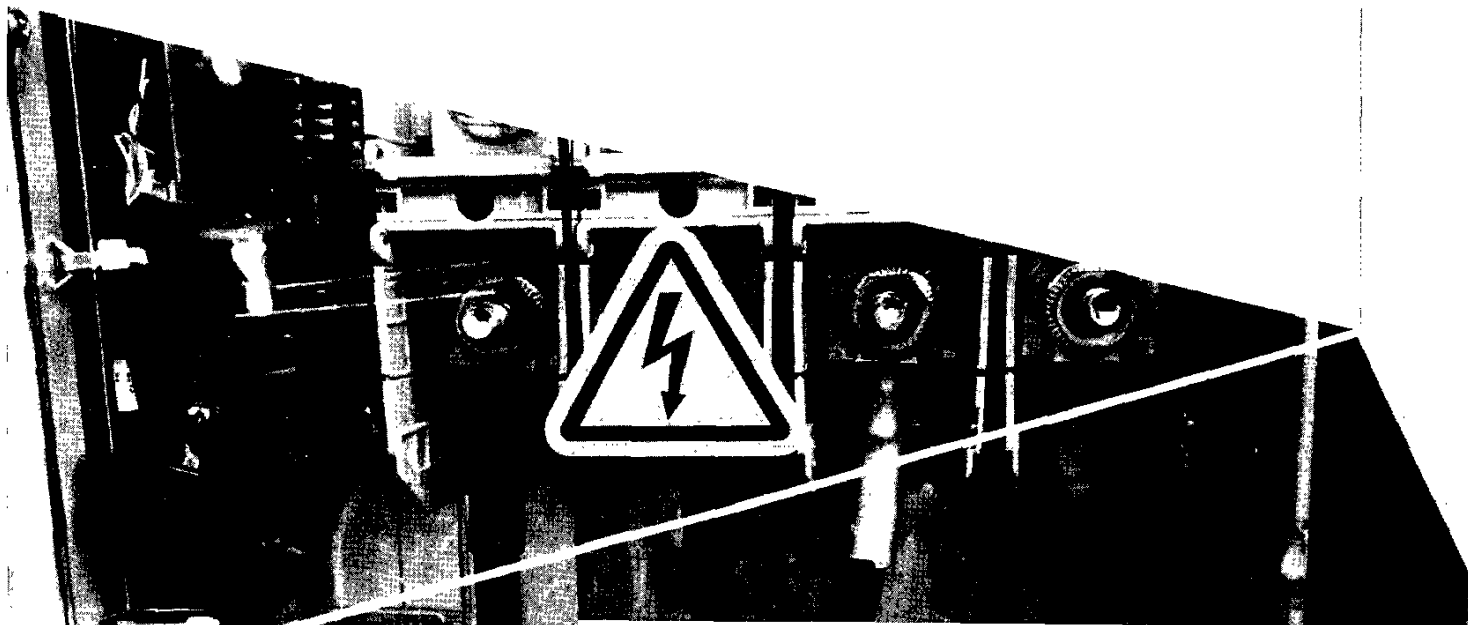
Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state

to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Michael Kidd (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Belfast
20 December 2022



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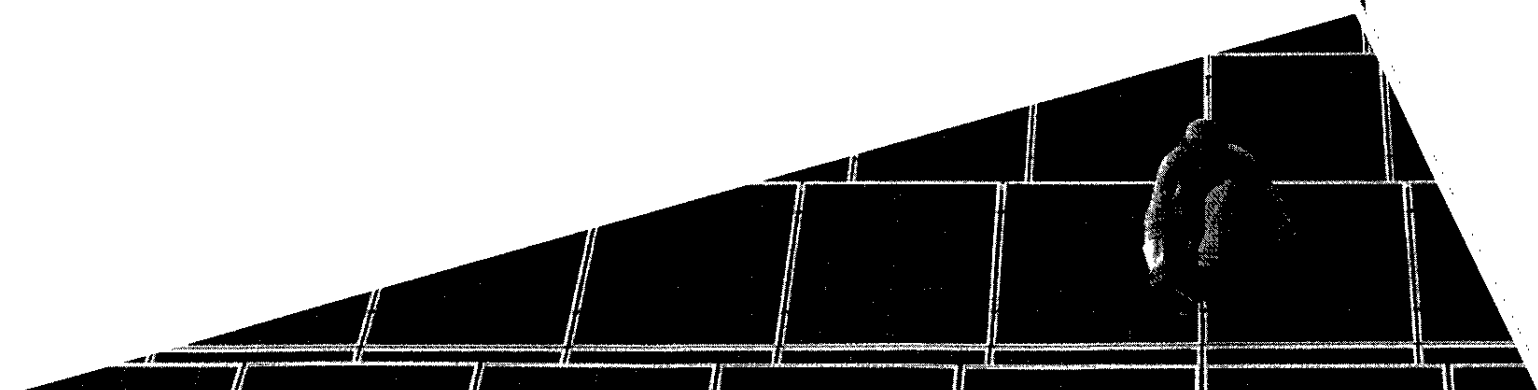
Group profit and loss account for the year ended 30 June 2022

		2022	(restated) 2021
	Note	£'000	£'000
Turnover	1	711,830	425,302
Cost of sales		(410,883)	(221,277)
Gross profit		300,947	204,025
Administrative expenses		(258,251)	(231,844)
Operating profit/(loss)	2	42,696	(27,819)
Other income	1	3,550	9,454
Income from other fixed asset investments		5,249	449
Share of operating profit in joint venture		—	1,755
Profit on disposal of subsidiaries and joint venture	8	29,533	28,568
Other interest receivable and similar income	6	130	997
Interest payable and similar charges	6	(33,554)	(36,067)
Profit/(loss) before taxation		47,604	(22,663)
Tax on profit/(loss)	/	(16,294)	(8,349)
Profit/(loss) for the financial year		31,310	(31,012)
Attributable to Fern		37,932	(27,005)
Minority interest		(6,622)	(4,007)
		31,310	(31,012)

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

Group statement of comprehensive income for the year ended 30 June 2022

	2022	(restated) 2021
	£'000	£'000
Profit/(loss) for the financial year	31,310	(31,012)
Other comprehensive income		
Movements in cash flow hedges	77,985	44,983
Foreign exchange gain/(loss) on retranslation of subsidiaries	18,561	(333)
Other comprehensive income for the year	96,546	44,650
Total comprehensive income for the year	127,856	13,638
Attributable to		
• Owners of the parent	134,478	17,645
• Non-controlling interests	(6,622)	(4,007)
	127,856	13,638



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Group balance sheet as at 30 June 2022

	Note	2022 £'000	(restated) 2021 £'000
Fixed assets			
Intangible assets	8	557,708	576,739
Tangible assets	9	1,893,430	1,581,682
Investments	10	35,452	11,000
		2,486,590	2,169,421
Current assets			
Stocks	12	184,479	94,711
Debtors (including £138m (2021: £16.1m) due after more than one year)	13	623,161	598,002
Cash at bank and in hand	11	256,415	172,478
		1,064,055	865,191
Creditors: amounts falling due within one year	14	(256,152)	(202,059)
Net current assets		807,903	663,132
Total assets less current liabilities		3,294,493	2,832,553
Creditors: amounts falling due after more than one year	15	(992,425)	(903,339)
Provisions for liabilities	17	(82,620)	(41,372)
Net assets		2,219,448	1,887,842
Capital and reserves			
Called up share capital	18	161,662	149,676
Share premium account		364,882	173,118
Merger reserve		1,635,569	1,440,257
Cash flow hedge reserve		63,006	(14,979)
Profit and loss account		(2,770)	136,049
Total shareholders' funds		2,222,349	1,884,121
Non-controlling interests		(2,901)	3,721
Capital employed		2,219,448	1,887,842

Note 26 details the prior period adjustments.

These consolidated financial statements on pages 35 to 92 were approved by the Board of directors on 16 December 2022 and are signed on their behalf by



PS Latham

Director

Registered number 12601636

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Company balance sheet as at 30 June 2022

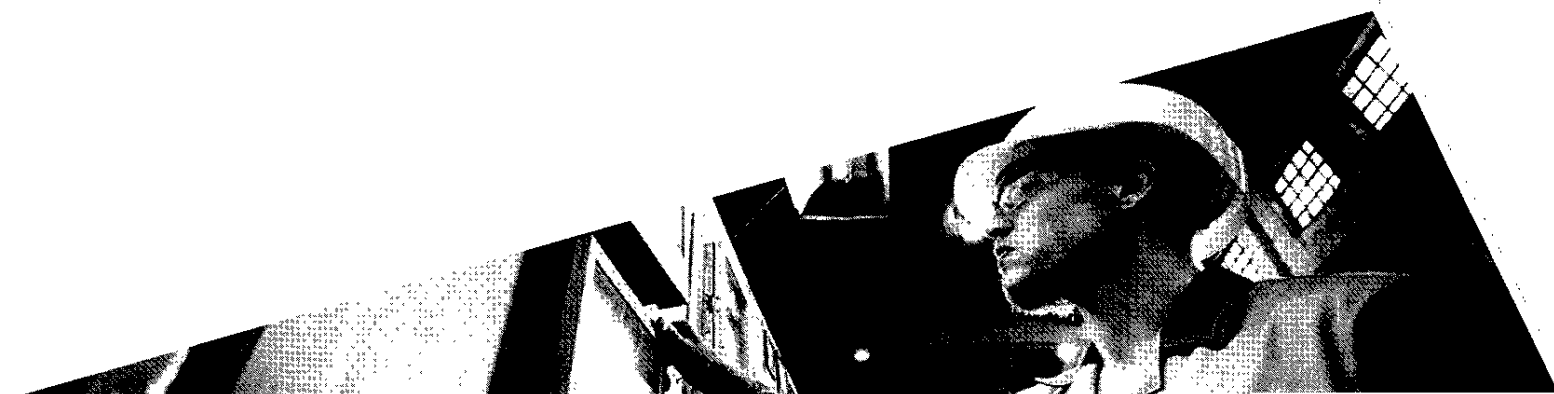
	Note	2022 £'000	2021 £'000
Fixed assets			
Investments	10	2,539,978	2,116,366
		2,539,978	2,116,366
Current assets			
Debtors	13	39,888	50,383
Cash at bank and in hand	11	6,422	1,523
		46,310	51,906
Creditors: amounts falling due within one year	14	(449)	(22,924)
Net current assets		45,861	28,982
Total assets less current liabilities		2,585,839	2,145,348
Net assets		2,585,839	2,145,348
Capital and reserves			
Called up share capital	18	161,662	149,676
Share premium account		364,882	173,118
Merger reserve		1,986,457	1,791,145
Profit and loss account		72,838	31,409
Total shareholders' funds		2,585,839	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 profit for the financial period dealt with in the financial statements of the Company was £236,742,000 (2021: loss of £157,504,000).

These financial statements on pages 35 to 92 were approved by the Board of directors on 16 December 2022 and are signed on their behalf by



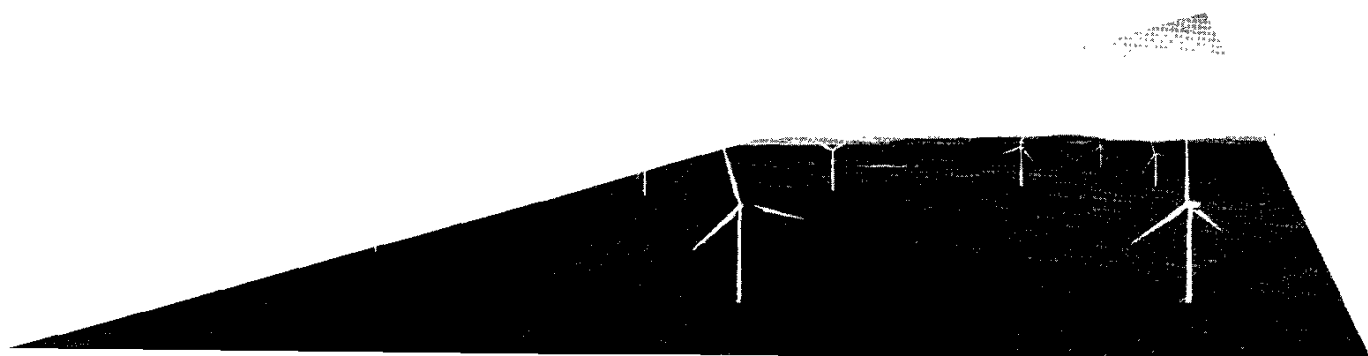
PS Latham
Director
Registered number 12601636



4 | FINANCIAL STATEMENTS 30 JUNE 2022

Group statement of changes in equity for the year ended 30 June 2022

	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 2020 (as stated)	138,435	–	1,635,569	(63,837)	(41,185)	1,668,982	9,570	1,678,552
Prior period adjustments (note 26)	–	–	–	3,875	13,828	17,703	–	17,703
Balance as at 1 July 2020 (restated)	138,435	–	1,635,569	(59,962)	(27,356)	1,686,685	9,570	1,696,255
Loss for the financial year (restated)	–	–	–	–	(27,005)	(27,005)	(4,007)	(31,012)
Changes in market value of cash flow hedges (restated)	–	–	–	44,983	–	44,983	–	44,983
Foreign exchange gain on retranslation of subsidiaries	–	–	–	–	(333)	(333)	–	(333)
Other comprehensive income/(expense) for the year (restated)	–	–	–	44,983	(333)	44,650	–	44,650
Total comprehensive expense for the year (restated)	–	–	–	44,983	(27,338)	17,645	(4,007)	13,638
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 (restated)	149,676	173,118	1,440,257	(14,979)	136,049	1,884,121	3,721	1,887,842
Balance as at 1 July 2021 (restated)	149,676	173,118	1,440,257	(14,979)	136,049	1,884,121	3,721	1,887,842
Profit for the financial year	–	–	–	–	37,932	37,932	(6,622)	31,310
Changes in market value of cash flow hedges	–	–	–	77,985	–	77,985	–	77,985
Foreign exchange loss on retranslation of subsidiaries	–	–	–	–	18,561	18,561	–	18,561



4 FINANCIAL STATEMENTS 30 JUNE 2022

	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	—	—	—	77,985	18,561	96,546	—	96,546
Total comprehensive income/(expense) for the year	—	—	—	77,985	56,493	134,478	(6,622)	127,856
Utilisation of merger reserve	—	—	195,312	—	(195,312)	—	—	—
Shares issued during the year	11,986	191,764	—	—	—	203,750	—	203,750
Balance as at 30 June 2022	161,662	364,882	1,635,569	63,006	(2,770)	2,222,349	(2,901)	2,219,448

Note 26 details the prior period adjustments

Company statement of changes in equity for the year ended 30 June 2022

	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
Profit for the financial year	—	—	—	236,741	236,741
Utilisation of merger reserve	—	—	195,312	(195,312)	—
Total comprehensive income	—	—	195,312	41,429	236,741
Shares issued during the year	11,986	191,764	—	—	203,750
Shares cancelled during the year	—	—	—	—	—
Balance as at 30 June 2022	161,662	364,882	1,986,457	72,838	2,585,839



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Group statement of cash flows for the year ended 30 June 2022

	Note	2022 £'000	(restated) 2021 £'000
Cash flows from operating activities			
Profit/(loss) for the financial year attributable to the owners of the parent		37,932	(27,005)
Adjustments for:			
Tax on profit/(loss)	/	16,294	8,349
Interest receivable and similar income	6	(130)	(997)
Interest payable and other similar charges	6	33,554	36,068
Profit on disposal of subsidiaries and joint venture	8	(29,532)	(28,568)
Income from joint venture		—	(1,755)
Income from fixed asset investments		(5,249)	(449)
Amortisation and impairment of intangible fixed assets	8	45,762	37,704
Depreciation of tangible fixed assets	9	101,802	84,697
Non-cash staff costs		3,040	8,875
Movements on derivatives and foreign exchange		(18,044)	(19,788)
Increase in stock		(19,829)	(5,701)
(Increase)/decrease in debtors		31,022	249,374
Increase/(decrease) in creditors		(173,956)	6,871
Non-controlling interests	19	(6,622)	(4,007)
Tax received/(paid)		25,853	(1,751)
Net cash generated from operating activities		41,897	341,917
Cash flows from investing activities			
Purchase of subsidiary undertakings (net of cash acquired)		(52,377)	(221,987)
Sale of subsidiary undertakings and joint venture		101,778	34,503
Purchase of tangible assets		(322,446)	(110,457)
Purchase of intangible assets		(7,222)	(875)
Purchase of unlisted investments		(124,203)	(29,617)
Sale of unlisted investments	10	105,000	20,133
Interest received	6	130	997
Income from joint venture		—	1,077
Net cash used in investing activities		(299,340)	(306,226)
Cash flows from financing activities			
Proceeds from financing		201,719	—
Interest paid		(32,319)	(35,552)
Repayments of financing		(32,013)	(212,676)
Proceeds from share issue	18	203,750	184,359
Cancellation of shares	18	—	(6,399)
Net cash generated from financing activities		341,137	(70,268)
Net (decrease)/increase in cash and cash equivalents		83,694	(34,577)
Cash and cash equivalents at the beginning of the year	11	172,478	206,688
Exchange gains on cash and cash equivalents		243	367
Cash and cash equivalents at the end of the year	11	256,415	172,478

Note 26 details the prior period adjustments.

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Statement of accounting policies

Company information

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

Statement of compliance

The Group and individual financial statements of Fern Trading 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.

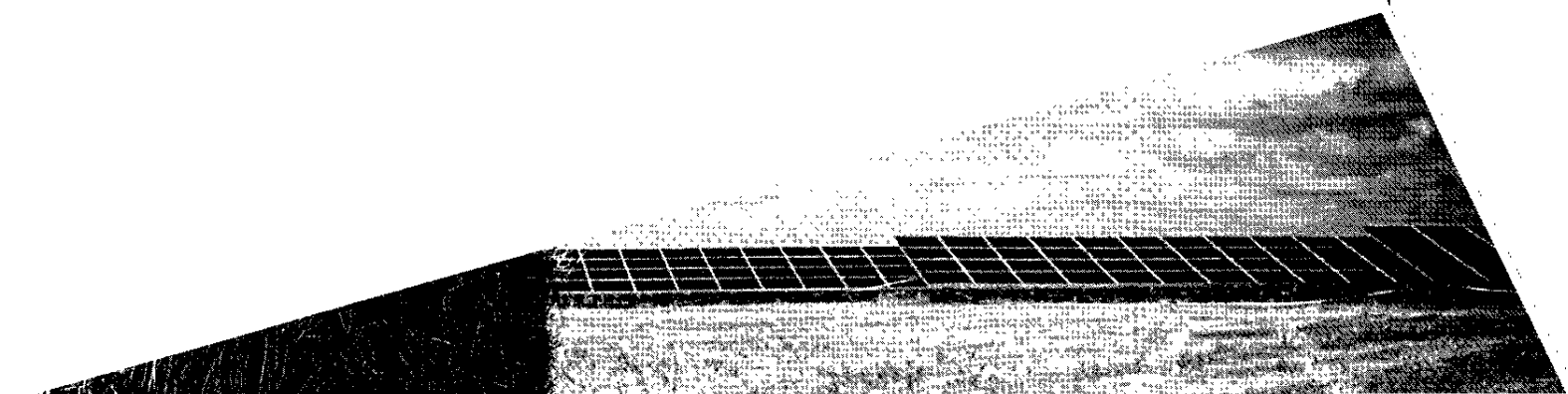
The consolidated financial statements include the results of all subsidiaries owned by Fern Trading Limited as listed in note 29 of the annual financial statements. Certain companies of these subsidiaries, which are listed in note 29, have taken the exemption from an audit for the year ended 30 June 2022 permitted by section 479A of Companies Act 2006. In order to allow these subsidiaries to take the audit exemption, the parent company has given a statutory guarantee, in line with section 479C of Companies Act 2006, of all the outstanding net liabilities as at 30 June 2022.

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 in 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.

Due to the challenging market conditions 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.



Statement of accounting policies

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

At 30 June 2022, the Group had available cash of £256m and headroom available of £441m including a revolving credit facility of £210m. Debt of £88m is due to mature in less than one year, with the remainder of £956m payable in more than one year. The Groups facilities, repayment dates and undrawn amounts are set out in Note 16 Loans and Borrowings.

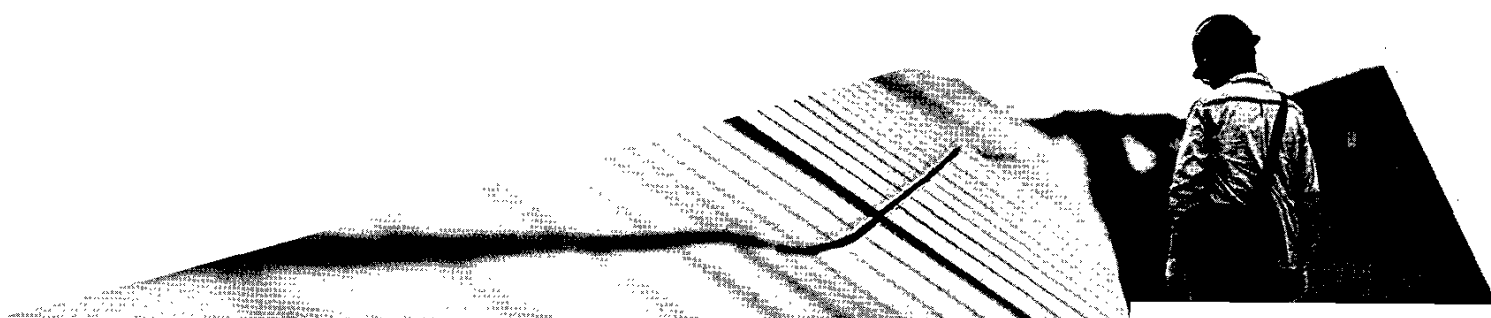
Key accounting judgement and estimates have been made with consideration given to the current economic outlook. Key estimates include loan recoverability, valuation of work in progress, decommissioning provisions, impairment of goodwill and investments, business combinations and hedge accounting. Details are set out on pages 50 to 51.

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

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

The Company has taken advantage of the following exemptions:

- 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.



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Statement of accounting policies

Basis of consolidation

The consolidated financial statements include the results of Fern Trading 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.

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.

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 and rounded to thousands.

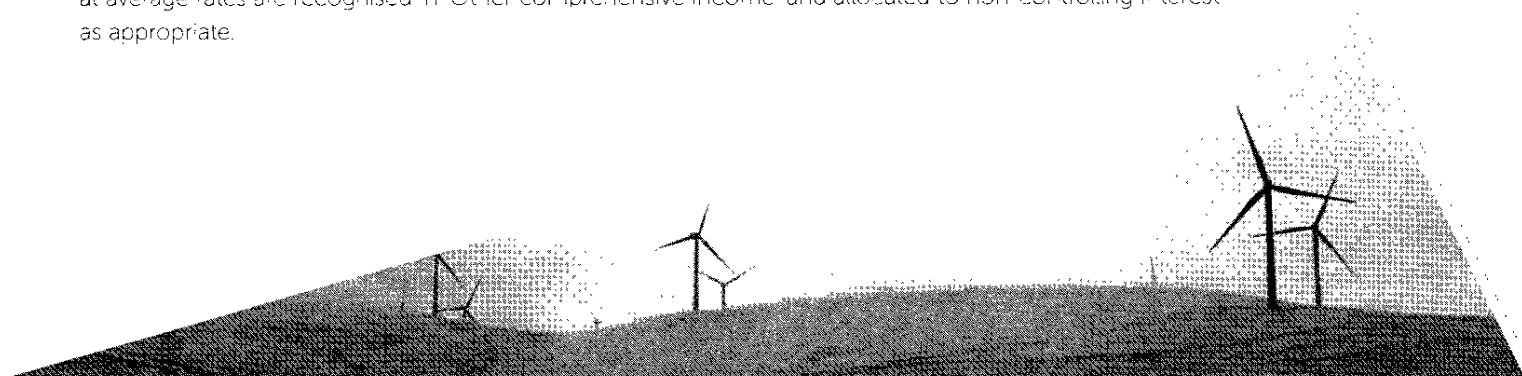
ii. Transactions and balances

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 pounds 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.



4 | FINANCIAL STATEMENTS 30 JUNE 2022

Statement of accounting policies

Turnover

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

- **Energy**
Turnover from the sale of electricity generated by solar farms, 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**
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.
- **House building**
Turnover is recognised on legal completion of the sale of property, land and commercial spaces. Turnover from housing association contracts is recognised by reference to the value of work completed as a proportion of the total contract value.

Employee benefits

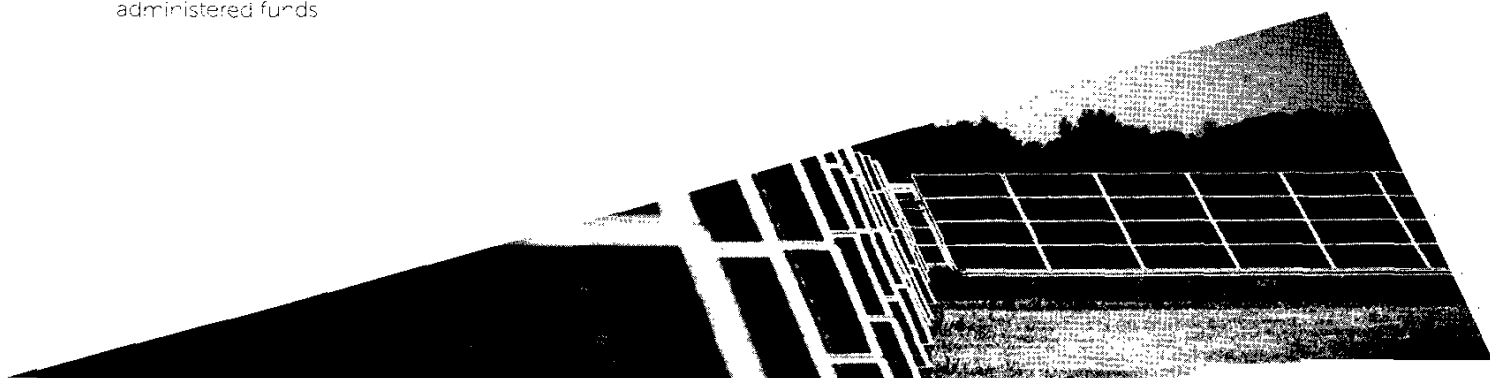
The Group provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined contribution pension plans.

i. Short-term benefits

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.



4 FINANCIAL STATEMENTS 30 JUNE 2022

Statement of accounting policies

iii. Share-based payments

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

Changes in the value of this liability are recognised in the income statement.

The Group has no equity-settled arrangements.

Finance costs

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.

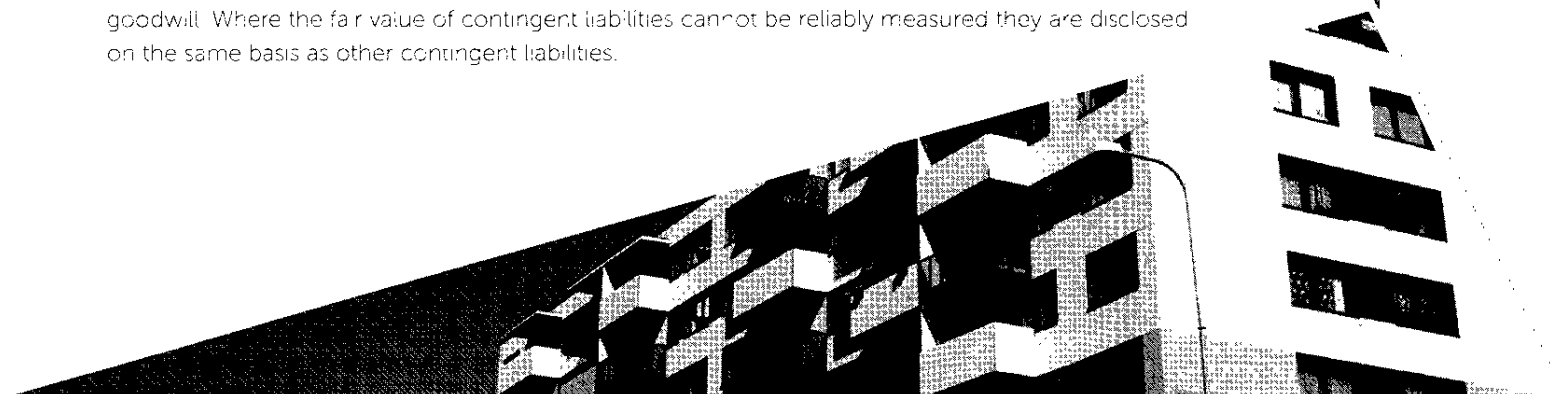
Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair 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.



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Statement of accounting policies

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

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

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

Tangible fixed assets

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

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

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

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

Intangible assets

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

Development rights	25 and 30 years
Software	2 to 10 years

Amortisation expenses are included in administrative expenses.

Development rights relate to planning consent to build a solar farm and a wind farm acquired on acquisition.

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Statement of accounting policies

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.

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 Fiorophos 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.

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Statement of accounting policies

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.

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.

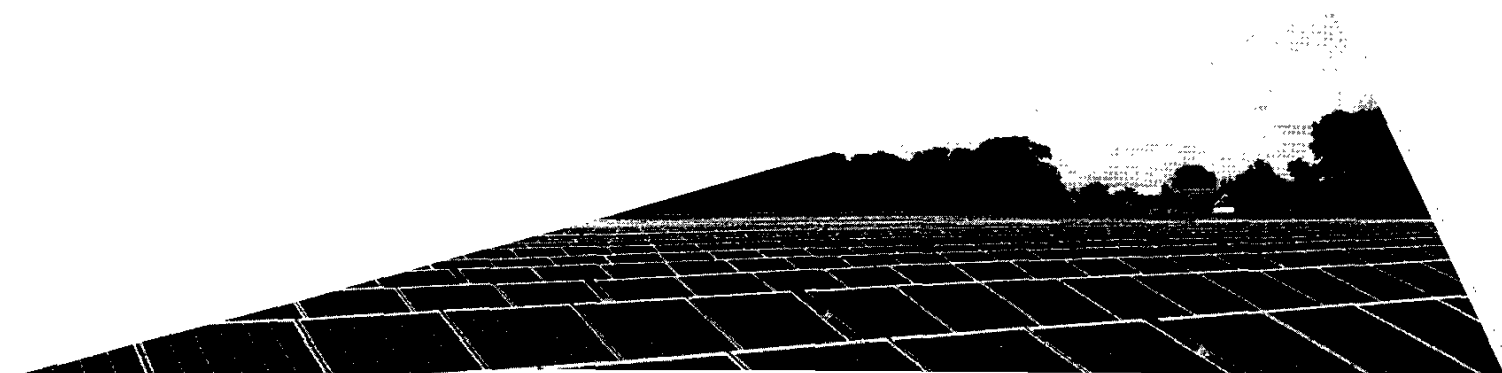
At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original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



4 | FINANCIAL STATEMENTS 30 JUNE 2022

Statement of accounting policies

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

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

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

Provisions

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.

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.



4 | FINANCIAL STATEMENTS 30 JUNE 2022

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 £3.6m 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 2022.

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.

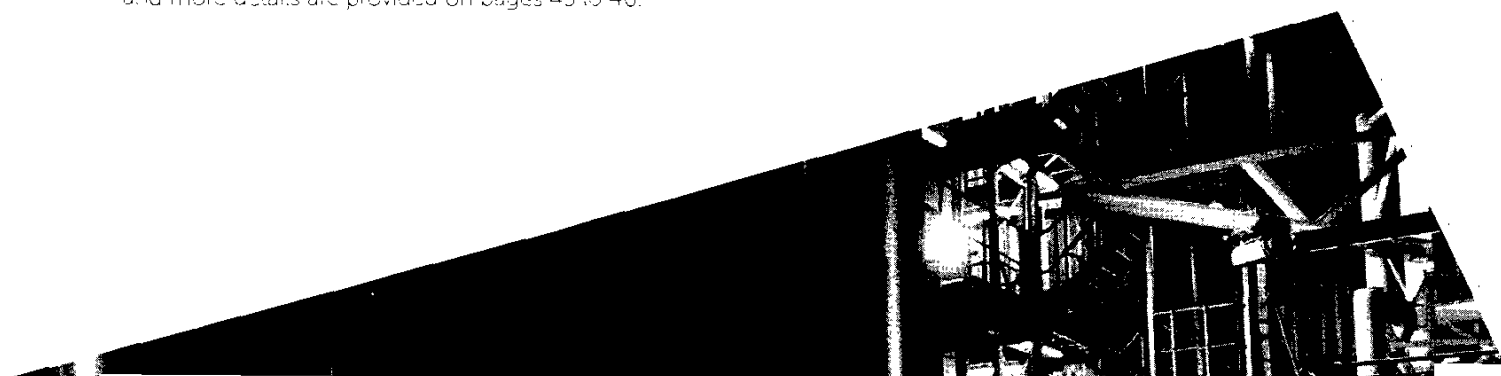
These estimates give rise to judgement as to whether there is a shortfall between the carrying value and the fair value of the balance as at the 30 June 2022. Post year end, management have reviewed the assumptions used to determine the value of property development WIP and have observed no changes in performance that would impact the valuation as at the 30 June 2022. See note 12 for the carrying amount of the property development WIP.

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

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

iv. Business combinations (estimate)

The cost of a business combination is the fair value of the consideration given, liabilities incurred plus the costs directly attributable to the business combination. Fair value of these combinations is a key estimate and more details are provided on pages 45 to 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 (estimate):

Management note that decommissioning provisions is a critical estimate and have therefore performed sensitivity analysis. The results of the sensitivity analysis conclude that a change of +/- one per cent in the discount rate would have resulted in £2.1m increase/decrease in the provision. See note 17 for the provision recognised at 30 June 2022. 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 (judgement):

The Group is required to restore the leased premises of the solar farm to their original condition at the end of the lease term. A provision was previously recognised, however in the current year this judgement has been reassessed and management believe 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.

UK Solar (estimate):

During the year, a third party performed an assessment of the base cost of the decommissioning of the Groups UK solar farms. The findings have resulted in material change in the cost estimate and therefore a provision has been recognised for the first time on some sites. The impact has resulted in a provision being raised for £18m to the balance sheet decommissioning liability and fixed assets. As at 30 June 2022 there is no impact on the profit and loss. Sites not affected are addressed below.

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 £5.49m 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 2022.

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Notes to the financial statements for the year ended 30 June 2022

1 Turnover

Analysis of turnover by category

	2022	2021
	£'000	£'000
Lending activities	42,404	56,552
Energy operations – solar, reserve power and wind	365,958	179,820
Energy operations – biomass and landfill	223,526	141,826
Healthcare operations*	45,978	42,266
Home building	25,034	–
Fibre operations	8,930	4,838
	711,830	425,302

*Included in income from Healthcare operations is £17.4m (2021: £11.2m) relating to the sale of retirement village units, and £28.6m (2021: £31.1m) in relation to services rendered.

Analysis of turnover by geography

	2022	2021
	£'000	£'000
United Kingdom	603,911	384,799
Europe	84,433	31,893
Rest of world	23,486	8,610
	711,830	425,302

Other income

	2022	2021
	£'000	£'000
Liquidated damages and insurance proceeds	3,550	9,454

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Notes to the financial statements for the year ended 30 June 2022

2 Operating costs

This is stated after charging/(crediting):

	2022	(restated) 2021
	£'000	£'000
Amortisation of intangible assets (note 8)	37,849	37,704
Impairment of intangible assets (note 8)	7,913	–
Depreciation of tangible assets (note 9)	101,802	84,697
Auditors' remuneration – Company and the Group's consolidated financial statements	45	146
Auditors' remuneration – audit of Company's subsidiaries	819	1,134
Auditors' remuneration – non audit services	246	513
Auditors' remuneration – tax compliance services	482	672
Difference on foreign exchange	7,772	4,402
Operating lease rentals	13,783	7,502

Note 26 details the prior period adjustments

3 Pension costs

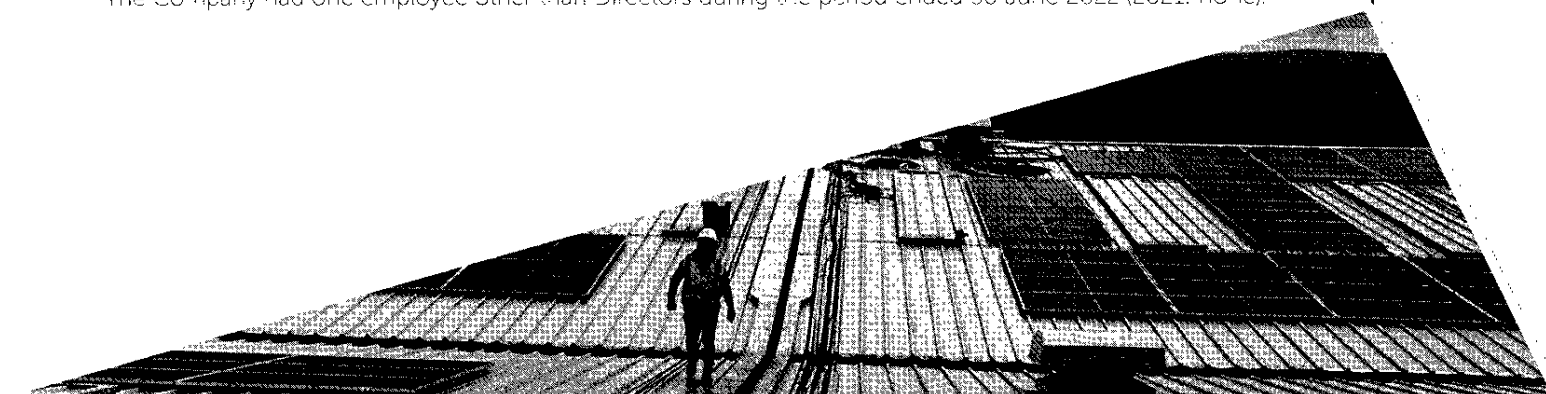
	2022	2021
	£'000	£'000
Wages and salaries	85,432	41,383
Social security costs	7,041	3,809
Other pension costs	3,233	1,676
	95,706	46,868

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:

	2022	2021
	Number	Number
Production	1,032	699
Administration	631	348
Directors	3	3
	1,666	1,050

The Company had one employee other than Directors during the period ended 30 June 2022 (2021: none).



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Notes to the financial statements for the year ended 30 June 2022

4 Directors' remuneration

	2022	2021
	£'000	£'000
Emoluments	176	163

During the year no pension contributions were made in respect of the directors (2021: none)

The Group has no other key management (2021: 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

	2022	2021
	Number of awards	Number of awards
Opening outstanding balance	1,914,751	1,640,000
Granted during the period	1,763,563	274,751
Closing outstanding balance	3,678,314	1,914,751

The total charge for the year was £3,133,000 (2021: £1,334,000) and at the 30 June 2022 there was a liability of £2,407,000 included within creditors greater than one year (2021: £1,334,000).

6 Interest

Interest receivable and similar income	2022	2021
	£'000	£'000
Interest on bank balances	130	997

Interest payable and similar expenses	2022	2021
	£'000	£'000
Interest on bank borrowings	32,192	34,378
Amortisation of issue costs on bank borrowings	2,597	1,103
(Profit)/loss on derivative financial instruments	(1,235)	587
	33,554	36,068

4 FINANCIAL STATEMENTS 30 JUNE 2022

Notes to the financial statements for the year ended 30 June 2022

7 Tax and profit/loss

a) Analysis of charge in year

	2022	(restated) 2021
	£'000	£'000
Current tax:		
UK corporation tax charge on profit/(loss) for the year	(297)	1,648
Adjustments in respect of prior periods	3,196	(2,866)
Foreign tax suffered	5,641	–
Total current tax charge/(credit)	8,540	(1,218)
Deferred tax:		
Origination and reversal of timing differences	6,227	2,074
Adjustments in respect of prior periods	(3,741)	(3,998)
Effect of change in tax rates	5,268	11,491
Total deferred tax	7,754	9,567
Tax charge on profit/(loss) on ordinary activities	16,294	8,349

b) Factors affecting tax charge for the year

The tax assessed for the year is higher (2021: higher) than the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are explained below.

	2022	(restated) 2021
	£'000	£'000
Profit/(loss) before tax	47,604	(21,170)
Profit/(loss) before tax multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	9,045	(4,022)
Effects of		
Expenses not deductible for tax purposes	11,723	16,076
Other effects	(868)	1,022
Income not taxable for tax purposes	(8,102)	(9,351)
Adjustments in respect of prior periods	(545)	(6,865)
Effects of change in tax rates	5,041	11,489
Total tax charge for the year	16,294	8,349

c) Factors that may affect future tax charge

The Finance Act 2021 enacted on 10 June 2021 increased the main rate of UK corporation tax from 19% to 25%, effective 1 April 2023. Deferred taxes on the balance sheet have been measured at 25% (2021: 25%) which represents the future corporation tax rate that was enacted at the balance sheet date.

Note 26 details the prior period adjustments.

4 | FINANCIAL STATEMENTS 30 JUNE 2022

Notes to the financial statements for the year ended 30 June 2022

8 Intangible assets

	Software	Goodwill (restated)	Development rights	Total
Group	£'000	£'000	£'000	£'000
Cost				
At 1 July 2021 (restated)	964	726,602	10,216	737,782
Acquired through business combinations (note 27)	–	30,042	4,058	34,100
Additions	2,125	–	1,040	3,165
Disposals	–	(21,118)	–	(21,118)
Gain on translation	–	7,930	–	7,930
At 30 June 2022	3,089	743,456	15,314	761,859
Accumulated amortisation				
At 1 July 2021 (restated)	107	159,902	1,034	161,043
Disposals	–	(2,462)	–	(2,462)
Loss on translation	–	(192)	–	(192)
Impairment	–	7,913	–	7,913
Charge for the year	12	37,314	523	37,849
At 30 June 2022	119	202,475	1,557	204,151
Net book value				
At 30 June 2022	2,970	540,981	13,757	557,708
At 30 June 2021 (restated)	857	566,700	9,182	576,739

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 2022 can be found in note 27.

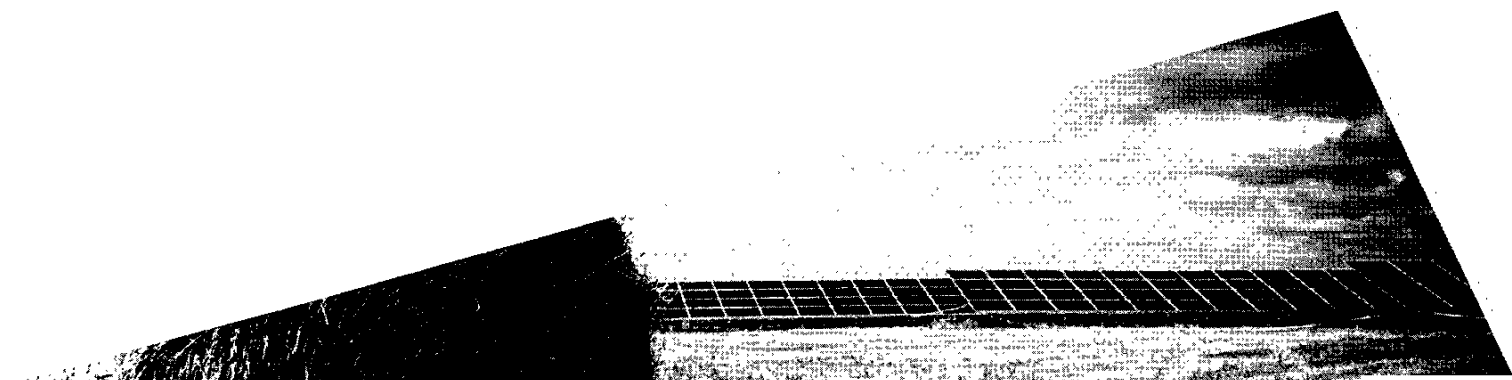
During the year the group disposed of 2 wind farms in Finland, as a result £2.5m of accumulated goodwill amortisation was recognised in the current year and £19.3m of goodwill was realised on the sale. Gain on sale recognised in the profit and loss in relation to this transaction was £28m.

Impairment of £79m has been recognised on goodwill (2021: none).

No assets have been pledged as security for liabilities at year end (2021: none).

The Company had no intangible assets at 30 June 2022 (2021: none).

Note 26 details the prior period adjustments.



4 | FINANCIAL STATEMENTS 30 JUNE 2022

Notes to the financial statements for the year ended 30 June 2022

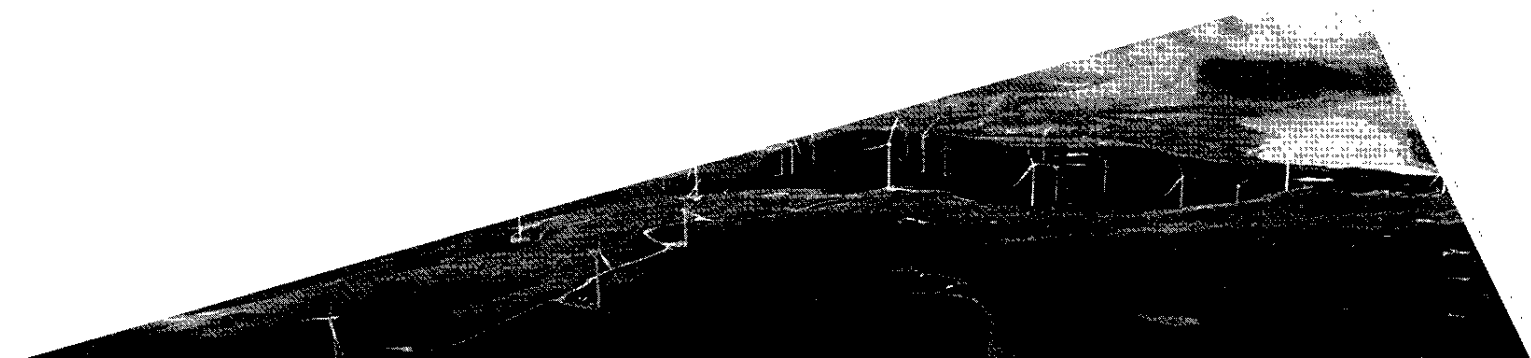
9 Tangible assets

	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 2021 (restated)	8,531	317,467	1,695,437	27,288	43,277	2,092,000
Additions	829	1,536	73,647	60,462	238,006	374,480
Acquired through business combinations (note 27)	1,308	–	51,344	–	57,663	110,315
FX/fair value movement	–	–	368	–	3,294	3,662
Transfers	–	68	1,066	30,936	(32,070)	–
Disposals	(135)	–	(75,951)	–	–	(76,086)
At 30 June 2022	10,533	319,071	1,745,911	118,686	310,170	2,504,371
Accumulated depreciation						
At 1 July 2021	4,410	90,059	414,559	1,290	–	510,318
Charge for the year	183	17,130	81,141	3,348	–	101,802
Disposals	–	–	(182)	(221)	–	(403)
FX movement	–	–	(776)	–	–	(776)
At 30 June 2022	4,593	107,189	494,742	4,417	–	610,941
Net book value						
At 30 June 2022	5,940	211,882	1,251,169	114,269	310,170	1,893,430
At 30 June 2021 (restated)	4,121	227,408	1,280,878	25,998	43,277	1,581,682

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 £51,785,000 (2021: £51,534,000). Included in network assets is a provision of £1,023,000 for obsolete equipment and development.

The Company had no tangible assets at 30 June 2022 (2021: none).

Note 26 details the prior period adjustments.



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Notes to the financial statements for the year ended 30 June 2022

10 UNLISTED INVESTMENTS

Group	Unlisted investments £'000	Total £'000
Cost and net book value		
At 1 July 2021	11,000	11,000
Additions	129,452	129,452
Disposals	(105,000)	(105,000)
At 30 June 2022	35,452	35,452
At 30 June 2021	11,000	11,000

Company	Subsidiary undertakings £'000	Total £'000
Cost		
At 30 June 2021	2,311,678	2,311,678
Additions	228,300	228,300
Disposals	—	—
At 30 June 2022	2,539,978	2,539,978
Accumulated impairments		
At 30 June 2021	195,312	195,312
Reversal of impairments	(195,312)	(195,312)
Impairments	—	—
At 30 June 2022	—	—
Net book value		
At 30 June 2022	2,539,978	2,539,978
At 30 June 2021	2,116,366	2,116,366

Details of related undertakings are shown in note 29.

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 2022 was £Nil (30 June 2021: £Nil). The directors do not consider Terido LLP or Bracken Trading Limited to be subsidiary undertakings of Fern Trading Limited.

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Notes to the financial statements for the year ended 30 June 2022

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	
	2022	2021
	£'000	£'000
Cash at bank and in hand	195,823	117,141
Restricted cash	60,592	55,337
Cash at bank and in hand	256,415	172,478

Restricted cash is comprised of £726,000 held in Escrow and £59,866,000 of cash held in subsidiaries with bi-annual distribution windows.

The Company had a cash balance of £6,422,000 as at 30 June 2022, none of which was restricted (2021: none).

12 Stocks

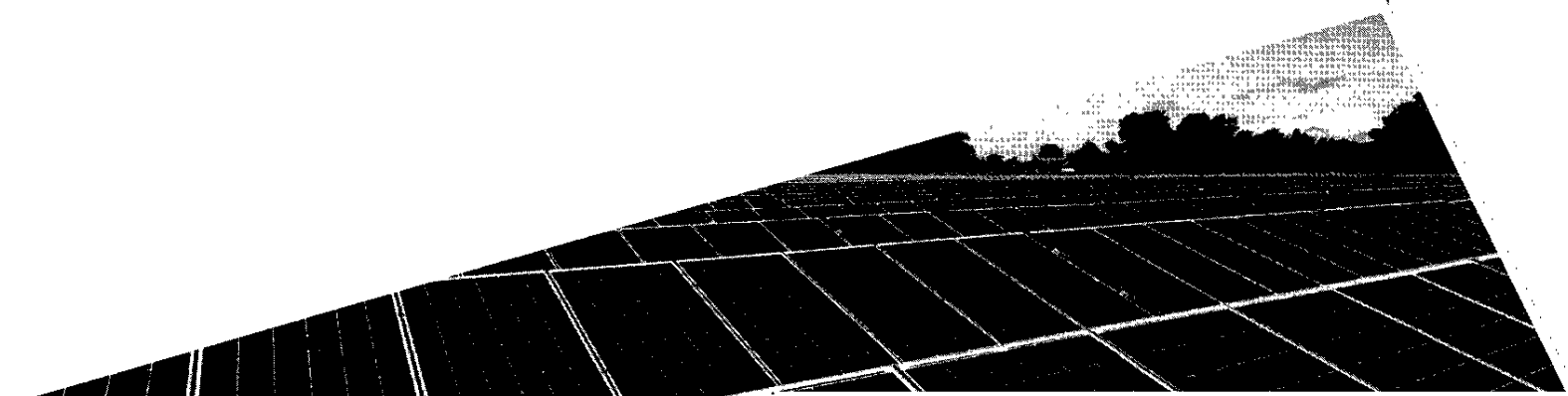
	Group	
	2022	2021
	£'000	£'000
Ash stock	1,538	2,195
Fuel, spare parts and consumables	26,023	18,593
Property development WIP	156,918	73,923
	184,479	94,711

The amount of stocks recognised as an expense during the year was £120,413,000 (2021: £41,212,000)

Included in the fuel, spare parts and consumables stock value is a provision of £390,000 for unusable fuel stock (2021: £459,000). Including in property development WIP is a provision of £928,000 for warranty and site specific provisions.

There has been no impairment recognised during the year on stock (2021: none). No inventory has been pledged as security for liabilities (2021: none).

The Company had no stocks at 30 June 2022 (2021: none).



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Notes to the financial statements for the year ended 30 June 2022

13 Debtors

	Group		Company	
	2022	(restated) 2021	2022	2021
	£'000	£'000	£'000	£'000
Amounts falling due after one year				
Loans and advances to customers	137,662	16,128	—	—
Amounts falling due within one year				
Loans and advances to customers	223,239	369,384	—	—
Trade debtors	42,050	16,121	392	8
Amounts owed by related parties (note 24)	—	3,950	32,950	12,751
Other debtors	20,199	24,972	3,843	5,008
Corporation tax	—	6,603	2,527	—
Derivative financial instruments (note 21)	54,409	6,469	—	—
Prepayments and accrued income	145,602	154,375	176	32,616
	623,161	598,002	39,888	50,383

Loans and advances to customers are stated net of provisions of £13,874,000 (2021: £18,199,000).

Prepayments and accrued income are stated net of provisions of £7,739,000 (2021: £13,741,000).

No interest is charged on amounts owed by group undertakings, as the outstanding balances are unsecured and repayable on demand (2021: none).

Note 26 details the prior period adjustments.



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Notes to the financial statements for the year ended 30 June 2022

14 Creditors falling due within one year or on demand

	Group		Company	
	2022	(restated) 2021	2022	2021
	£'000	£'000	£'000	£'000
Bank loans and overdrafts (note 16)	87,732	47,386	—	—
Trade creditors	58,004	23,390	76	16
Other taxation and social security	8,161	—	—	—
Other creditors	24,362	55,906	—	—
Amounts due to related parties (note 24)	—	—	—	20,203
Finance leases (note 16)	2,428	3,147	—	—
Derivative financial instruments (note 21)	—	143	—	—
Accruals and deferred income	75,465	72,087	373	2,705
	256,152	202,059	449	22,924

15 Creditors falling due after more than one year

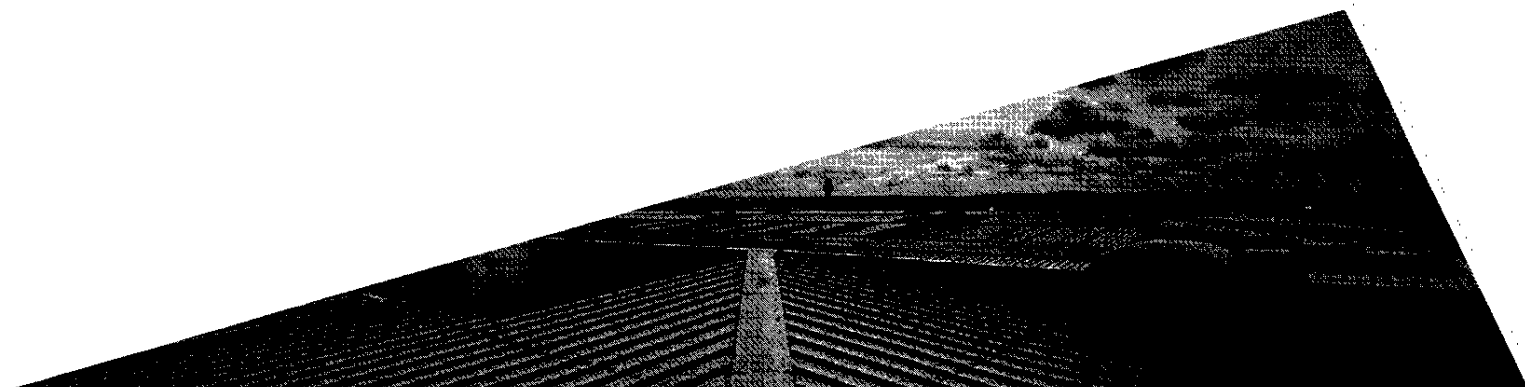
	Group	
	2022	2021
	£'000	£'000
Amounts falling due between one and five years		
Bank loans and overdrafts (note 16)	383,070	247,297
Finance leases (note 16)	5,899	6,125
Derivative financial instruments (note 21)	—	—
Other creditors	5,364	5,415
	394,333	258,837

	Group	
	2022	2021
	£'000	£'000
Amounts falling due after more than five years		
Bank loans and overdrafts (note 16)	573,416	577,235
Finance leases (note 16)	24,676	24,495
Derivative financial instruments (note 21)	—	42,772
	598,092	644,502
Total creditors falling due after more than one year	992,425	903,339

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 2022

16 Loans and other borrowings

	2022	2021
Group	£'000	£'000
Due in one year	87,732	47,386
Due between one and five years	383,070	247,297
Due in more than five years	573,416	577,235
	1,044,218	871,918

The Company had no bank loans at 30 June 2022.

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

	Interest rate	2022	2021
		£'000	£'000
Viners Energy Limited	6 month SONIA plus 1.60%	429,138	438,140
Cedar Energy and Infrastructure Limited	LIBOR/EURIBOR plus 2.00%	—	—
Elos Energy Z	3 month EURIBOR plus 1.20%, Fixed rate 1.70%	30,946	34,995
Flios Energy S	1.2% + 6 month EURIBOR	56,079	—
Boomerang Energy Limited	6 month SONIA plus 1.50%	284,348	295,344
Darlington Point Solar Farm Pty Limited	6.49% (swap rate of 4.59% + 1.9% margin)	114,026	—
Melton Renewable Energy UK Limited	6 month SONIA plus 2.35%	85,718	103,439
Dulacca WF Holdings PTY Ltd	1.7% + BBSY	31,614	—
Elvia Homes Limited	5% + SONIA + 2.5% non-utilisation fee	12,306	—
Zestec Asset Management Limited	Fixed rate 2.5%	43	—
		1,044,218	871,918

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

Finance leases

The future minimum finance lease payments are as follows:

	2022	2021
	£'000	£'000
Payments due		
Not later than one year	2,428	3,166
Later than one year and not later than five years	5,899	6,196
Later than five years	76,461	72,013
Total gross payments	84,788	81,375
Less: finance charges	(51,785)	(47,609)
Carrying amount of the liability	33,003	33,766

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

The Company had no finance leases at 30 June 2022.

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Notes to the financial statements for the year ended 30 June 2022

17 Decommissioning provisions

Group	Decommissioning provision £'000	(restated) Deferred tax £'000	(restated) Total £'000
At 1 July 2021	20,439	20,933	41,372
Increase recognised in profit and loss	21	11,495	11,516
Increase recognised through other comprehensive income	–	18,202	18,202
Impairment	16	–	16
Increase recognised in fixed assets	23,656	–	23,656
Recognised on subsidiary acquisitions	–	(3,568)	(3,568)
Adjustment in respect of prior years	–	(5,465)	(5,465)
Unwinding of discount	249	–	249
Adjustment relating to change in accounting estimate	(3,373)	–	(3,373)
Gain on translation	15	–	15
At 30 June 2022	41,023	41,597	82,620

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

The Company had no provisions at 30 June 2022.

Note 26 details the prior period adjustments.

18 Called-up and contributed share reserves

The Group and Company have the following share capital:

Group	2022 £'000	2021 £'000
Allotted, called-up and fully paid	£'000	£'000
1,616,622,011 (2021: 1,496,755,258)	161,662	149,676
Ordinary shares of £0.10 each		

Company	2022 £'000	2021 £'000
Allotted, called-up and fully paid	£'000	£'000
1,616,622,011 (2021: 1,496,755,258)	161,662	149,676
Ordinary shares of £0.10 each		

During the year the Group issued 119,866,754 (2021: 1,501,199,278) ordinary shares of £0.10 each for an aggregate nominal value of £11,987,000 (2021: £150,120,000). Of the shares issued during the year, total consideration of £203,750,000 (2021: £2,316,695,000) was paid for the shares, giving rise to a premium of

4 || FINANCIAL STATEMENTS 30 JUNE 2022

Notes to the financial statements for the year ended 30 June 2022

£191,763,000 (2021: £173,118,000). During the year the Group purchased nil (2021: 4,444,020) of its own ordinary shares of £0.10 each with an aggregate nominal value of £nil (2021: £444,000). Total consideration of £nil (2021: £6,844,000) was paid for the shares, giving rise to a premium of £nil (2021: £6,399,000).

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 119,866,754 (2021: 1,501,199,278) ordinary shares of £0.10 each for an aggregate nominal value of £11,987,000 (2021: £150,120,000). Of the shares issued during the year, total consideration of £203,750,000 (2021: £2,316,695,000) was paid for the shares, giving rise to a premium of £191,764,000 (2021: £2,166,575,000). During the year the Group purchased nil (2021: 4,444,020) of its own ordinary shares of £0.10 each with an aggregate nominal value of £nil (2021: £444,000). Total consideration of £nil (2021: £6,844,000) was paid for the shares, giving rise to a premium of £nil (2021: £6,399,000).

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

Cash flow hedge reserve

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

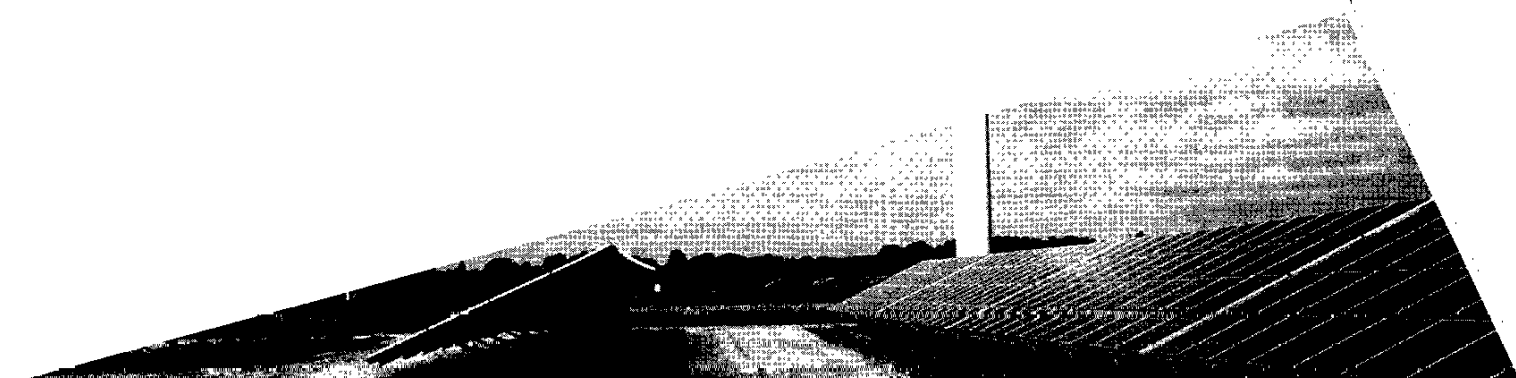
Merger reserve

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

19 Non-controlling interests

The movement in non-controlling interests was as follows:

Group	Note	Group	
		2022 £'000	2021 £'000
At 1 July 2021		3,721	9,570
Sale of subsidiary undertakings and acquisition of non-controlling interest	27	—	(1,842)
Total comprehensive loss attributable to non-controlling interests		(6,622)	(4,007)
At 30 June 2022		(2,901)	3,721



4 | FINANCIAL STATEMENTS 30 JUNE 2022

Notes to the financial statements for the year ended 30 June 2022

20 Contingencies

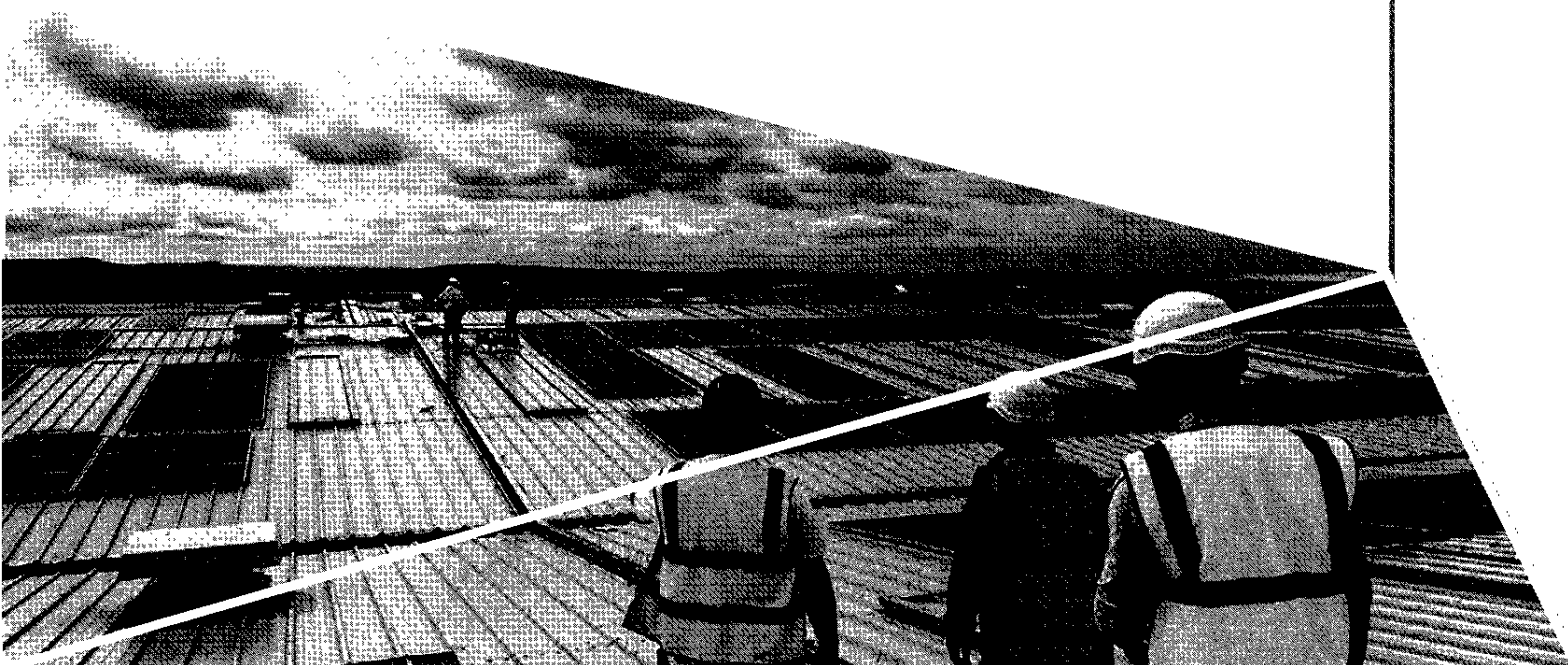
As at 30 June 2022 there were no contingencies across the Group or Company

21 Financial instruments

Carrying amounts of financial assets and liabilities

Group	Group		Company	
	2022	(restated) 2021	2022	2021
	£'000	£'000	£'000	£'000
Carrying amount of financial assets				
Debt instruments measured at amortised cost	423,150	430,556	4,235	17,767
Measured at fair value through profit and loss	—	6,469	—	—
Measured at fair value through other comprehensive income	54,409	—	—	—
Carrying amount of financial liabilities				
Measured at amortised cost	1,126,163	956,384	76	16
Measured at fair value through other comprehensive income	—	42,772	—	—

Note 26 details the prior period adjustments.



4 | FINANCIAL STATEMENTS 30 JUNE 2022

Notes to the financial statements for the year ended 30 June 2022

Derivative financial instruments

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

a) Market risk

Energy market risk

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

Currency risk

The Group presents its consolidated financial statements in sterling and conducts business in a number of other currencies, principally Euro and Australian dollar. Consequently, the Group is exposed to foreign exchange risk due to exchange rate movements, which affect the Group's transactional expenses and the translation of 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 2022 the fair value of the foreign currency contracts was an asset of £nil (2021: £6,469,000) and a liability of £nil (2021: £143,000).

Translational exposures

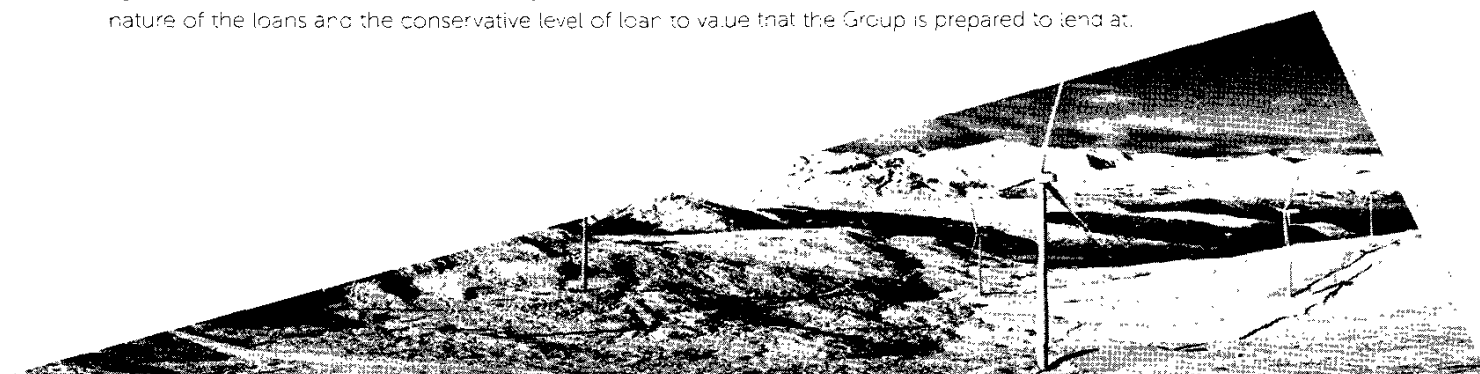
Balance sheet translational exposures arise on consolidation on the retranslation of the balance sheet of non-sterling operations into sterling, the Group's presentational currency. The level of exposure is reviewed by management and the potential foreign exchange movement is within an acceptable level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

Interest rate risk

The Group has exposure to fluctuations in interest rates on its borrowings. Where the Group enters into borrowing arrangements with floating rate interest, a swap arrangement is entered into to fix a portion of the interest in order to mitigate against an increase in interest rates. The portion of interest to be fixed is assessed on a case by case basis. Management can elect whether to hedge account for these arrangements on an individual transaction basis and have elected to apply hedge accounting for interest rate swaps. The swaps are based on a principal amount of the loan facility and mature on the same date. On 30 June 2022 the outstanding interest rate swaps have a maturity in excess of five years and the fair value is in an asset position of £54,409,000 (2021: liability of £42,629,000).

Price risk

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



4 | FINANCIAL STATEMENTS 30 JUNE 2022

Notes to the financial statements for the year ended 30 June 2022

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	2022 £'000	2021 £'000
Contracted for but not provided in these financial statements	347,254	90,156
Undrawn facilities on loans to borrowers	173,600	92,683

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

	2022		2021	
	Land and buildings	Other	Land and buildings	Other
	£'000	£'000	£'000	£'000
Payments due:				
Not later than one year	8,707	661	8,031	749
Later than one year and not later than five years	31,627	726	30,369	1,686
Later than five years	95,664	—	118,932	9
	135,998	1,387	157,332	2,444

The Group had no other off-balance sheet arrangements (2021: none)

Under sections 394A and 479A of the Companies Act 2006, the parent company Fern Trading Limited has guaranteed all outstanding liabilities on those companies taking the exemption to which the subsidiaries list on pages 79 to 90 were subject to at the 30 June 2022 until they are satisfied in full. These liabilities total £915m. Such guarantees are enforceable against Fern Trading Limited by any person to whom any such liability is due.

The Company had no capital or other commitments at 30 June 2022.

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Notes to the financial statements for the year ended 30 June 2022

23 Events after the end of the reporting period

On 11 July 2022, Fern Trading Development Limited ("FTDL"), a subsidiary of the Group, successfully sold Darlington Point Holdco Pty Limited to Octopus Australia Master Trust. A small profit of £850,000 was made on the sale.

On the 1st of December 2022, the Group acquired rights to a £25m credit voucher and the right to use mobile licenses from Three UK, via a Strategic Connectivity Agreement, thus making the first step towards becoming an mobile virtual network operator.

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 £77,934,000 (2021: £61,154,000) 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 £10,155 (2021: £16,000) by the Group. At the year end, an amount of £5,500 (2021: £219,000) 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 2022 a share of profit equal to £5,249,000 (2021: £449,000) has been recognised by the Group. At the year end, the Group has an interest in the member's capital of £35,452,000 (2021: £11,000,000) and accrued income due of £5,276,000 (2021: £479,000).

The Group engages in lending activities which include balances provided to related parties. Regarding entities with key management personnel in common, loans of £63,490,000 (2021: £173,224,000), accrued income of £19,789,000 (2021: £26,203,000) and deferred income of £nil (2021: £101,000) were outstanding at year end. During the year interest income of £7,160,000 (2021: £17,581,000) and fees of £394,000 (2021: £536,000) were recognised in relation to these loans.

During the year the Group acquired 9 reserve power companies from companies managed by Octopus Investments Limited, a related party. See note 27 a) for details of the companies acquired.

As at 30 June 2022 £nil (2021: £3,950,275) was owed to the Company by Bracken Trading Limited, a related party by key management personnel in common.

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

25 Ultimate controlling party or parent company

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



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Notes to the financial statements for the year ended 30 June 2022

26 Financial adjustments

a) Group structuring review

We have conducted a review of prior years' accounting treatment of intercompany restructuring. In this review management identified unamortised goodwill balances in relation to these transactions. We have adjusted the previous years to reflect the implementation of amortisation backdated to when the relevant transactions occurred. The accumulated impact for the goodwill amortisation in the profit and loss for 2021 was £8m (2020: £5.3m) the movement of £2.7m has been restated throughout the 2021 comparative numbers. A summary of the impact of the correction is provided below:

	Year ended 30 June 2020 (as stated)	Adjustments	Year ended 30 June 2020 (restated)
Group	£'000	£'000	£'000
Goodwill	583,988	(5,335)	578,653
Retained earnings	41,185	5,335	46,520

	Year ended 30 June 2021 (as stated)	Accumulated adjustments	Year ended 30 June 2021 (restated)
Group	£'000	£'000	£'000
Goodwill	602,711	(8,049)	594,662
Retained earnings	(123,920)	8,049	(115,871)

As part of the review of the intergroup restructuring mentioned above, management identified one of the restructures had been incorrectly accounted for in a sub-section of the group. No further errors were discovered in the review. The accumulated impact for goodwill amortisation in the profit and loss for 2021 was £2.5m (2020: £1.3m), the movement of £1.2m has been restated throughout the 2021 comparative numbers. This impact to the 2020 opening retained earnings was offset by £2.1m written back against bad debt expenses. Management have corrected the identified error with the following impact:

	Year ended 30 June 2020 (as stated)	Adjustments	Year ended 30 June 2020 (restated)
Group	£'000	£'000	£'000
Goodwill	583,988	(29,183)	554,805
Retained earnings	41,185	899	42,084
Debtors	842,549	(2,724)	839,825
Creditors' amounts falling due within one year	(232,813)	496	(232,317)
Fixed assets	1,346,655	30,512	1,377,167

	Year ended 30 June 2021 (as stated)	Accumulated adjustments	Year ended 30 June 2021 (restated)
Group	£'000	£'000	£'000
Goodwill	602,711	(27,963)	574,748
Retained earnings	(123,920)	(321)	(124,241)
Debtors	600,726	(2,724)	598,002
Creditors' amounts falling due within one year	(207,318)	496	(206,822)
Fixed assets	1,551,170	30,512	1,581,682

4 | FINANCIAL STATEMENTS 30 JUNE 2022

Notes to the financial statements for the year ended 30 June 2022

b) Deferred tax adjustment

We have conducted a review of all consolidation entries at subsections of the group. We have identified an error relating to 2019 when deferred tax adjustments were entered as a consolidation entry and had subsequently not been reversed. We have checked the tax per subsidiary account and have ensured that the relevant balances are correct. The error was posted at a consolidated level only and has now been corrected.

Group	Year ended 30 June 2020 (as stated) £'000	Adjustment £'000	Year ended 30 June 2020 (restated) £'000
Retained earnings	41,185	(4,764)	36,421
Creditors: amounts falling due within one year	(232,813)	4,764	(228,049)

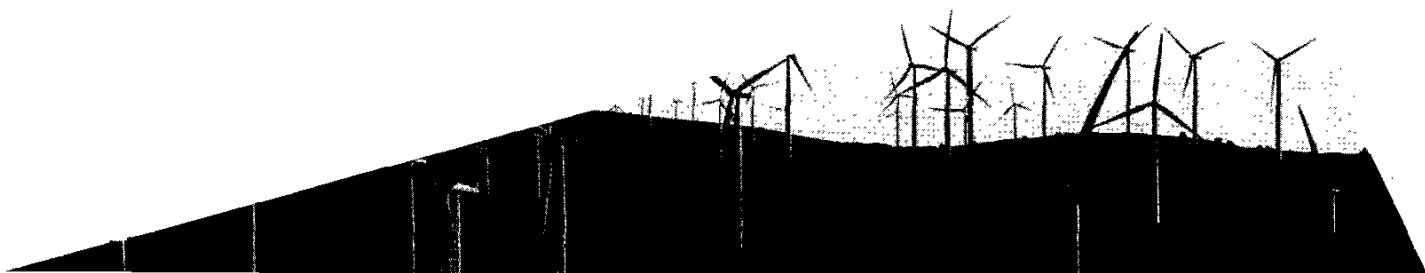
This has a knock effect into June 2021, the restated balances are as follows:

Group	Year ended 30 June 2021 (as stated) £'000	Adjustment £'000	Year ended 30 June 2021 (restated) £'000
Retained earnings	(123,920)	(4,764)	(128,684)
Creditors: amounts falling due within one year	(207,318)	4,764	(202,554)

In preparing the tax computations for 2022, the Group's tax advisors have noticed an overlooked assumption in previous years tax consolidation calculations. Within the previously unrecognised deferred tax assets held within the group some were available on a consolidated level to offset the Group's deferred tax liability. On an individual company basis the deferred tax in previous years had been correctly recognised. A part of these deferred assets are in relation to cash flow hedges held within the group which are accounted for within other comprehensive income. The accumulated impact for the tax charge in the profit and loss for 2021 was £15m (2020: £15.3m) the movement of 300k has been restated throughout the 2021 comparative numbers.

A summary of the impact of the correction is provided below:

Group	Year ended 30 June 2020 (as stated) £'000	Adjustment £'000	Year ended 30 June 2020 (restated) £'000
Retained earnings	41,185	(15,299)	25,886
Cash flow hedge reserve	63,837	(3,875)	59,962
Deferred tax provisions	(36,484)	19,174	(17,310)



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Notes to the financial statements for the year ended 30 June 2022

	Year ended 30 June 2021 (as stated)	Accumulated adjustments	Year ended 30 June 2021 (restated)
Group	£'000	£'000	£'000
Retained earnings	(123,920)	(15,093)	(139,013)
Cash flow hedge reserve	17,098	(2,119)	14,979
Deferred tax provisions	(38,145)	17,212	(20,933)

Summary of prior period adjustments:

	Year ended 30 June 2020 (as stated)	Adjustment	Year ended 30 June 2020 (restated)
Group	£'000	£'000	£'000
Retained earnings	41,185	(13,829)	27,356
Goodwill	583,988	(34,517)	549,471
Debtors	842,549	(2,724)	839,825
Fixed assets	1,346,655	30,512	1,377,167
Deferred tax provisions	(36,484)	19,174	(17,310)
Cash flow hedge reserve	63,837	(3,875)	59,962
Creditors: amounts falling due within one year	(232,813)	5,259	(227,554)

	Year ended 30 June 2021 (as stated)	Accumulated adjustments	Year ended 30 June 2021 (restated)
Group	£'000	£'000	£'000
Retained earnings	(123,920)	(12,129)	(136,049)
Goodwill	602,711	(36,011)	566,700
Debtors	600,726	(2,724)	598,002
Fixed assets	1,551,170	30,512	1,581,682
Deferred tax provisions	(38,145)	17,212	(20,933)
Cash flow hedge reserve	17,098	(2,119)	14,979
Creditors: amounts falling due within one year	(207,318)	5,259	(202,059)



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Notes to the financial statements for the year ended 30 June 2022

27 BUSINESS COMBINATIONS

a) Reserve Power acquisition

On 2 July 2021, the Group acquired 9 reserve power sites through the purchase of 100% of the share capital for consideration of £18.

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

Consideration	£'000
Cash	–
Total consideration	–

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

	Book value	Adjustments	Fair value
	£000	£000	£000
Fixed assets	80,788	(28,553)	52,235
Trade and other receivables	294	–	294
Prepayments	635	–	635
Cash and cash equivalents	7,858	–	7,858
Trade and other creditors	(2,206)	–	(2,206)
Loans	(58,816)	–	(58,816)
Net assets acquired	28,553	(28,553)	–
Goodwill	–	–	–
Total consideration	–	–	–

Goodwill resulting from the business combination was nil.

The consolidated statement of comprehensive income for the year includes £45,803,000 revenue and a profit after tax of £686,000 in respect of this acquisition.



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Notes to the financial statements for the year ended 30 June 2022

b) Doveryard Limited acquisition

On 22 October 2021, the Group acquired Doveryard Limited and its subsidiary through the purchase of 100% of the share capital for consideration of £13,414,000.

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

Consideration	£'000
Cash	12,377
Directly attributable costs	1,037
Total consideration	13,414

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	569	—	569
Trade and other receivables	52	—	52
Prepayments and accrued income	193	—	193
Trade and other creditors	(467)	—	(467)
Net assets acquired	347	—	347
Goodwill			13,067
Total consideration			13,414

Goodwill resulting from the business combination was £13,067,000 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 includes £nil of revenue and a loss before tax of £123,000 in respect of this acquisition.

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Notes to the financial statements for the year ended 30 June 2022

c) Dulacca acquisition

On 27 August 2021, the Group acquired Dulacca WF Holdco PTY Ltd and its three subsidiaries through the purchase of 100% of the share capital for consideration of £115,680,000.

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

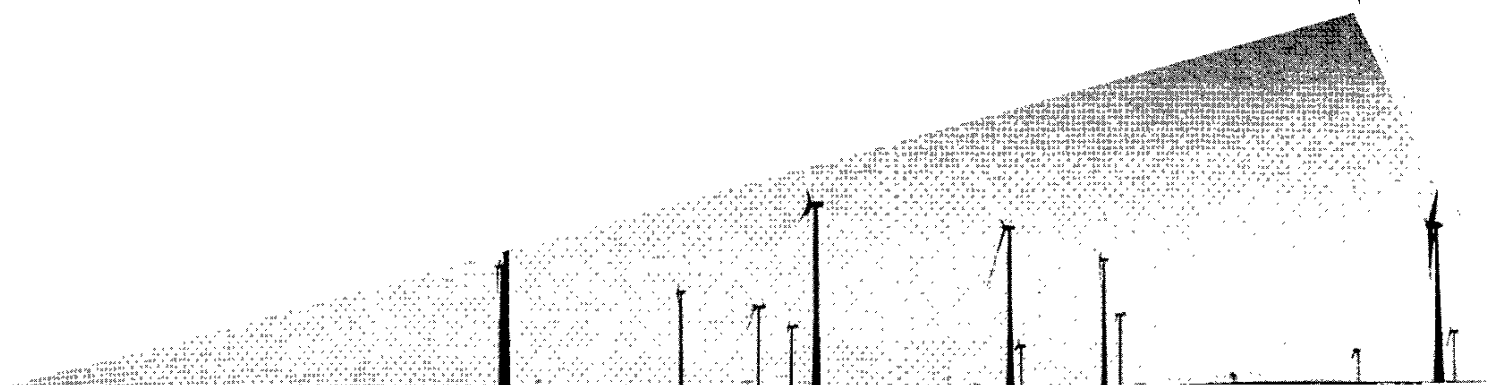
Consideration	AUD'000	Exchange Rate	£'000
Cash	217,557	1.8904	115,085
Directly attributable costs	1,126	1.8904	595
Total consideration	218,683		115,680

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

	Book values	Adjustments	Fair value	Book values	Adjustments	Fair value
	AUD'000	AUD'000	AUD'000	£'000	£'000	£'000
Fixed assets	107,633	–	107,633	56,937	–	56,937
Trade and other receivables	10,131	–	10,131	5,357	–	5,357
Cash and cash equivalents	103,072	–	103,072	54,525	–	54,525
Accruals and deferred income	(10,952)	–	(10,952)	(5,793)	–	(5,793)
Net assets acquired	209,884	–	209,884	111,026	–	111,026
Intangible			8,799			4,654
Total consideration			218,683			115,680

Intangibles resulting from the asset purchase was £4,654,000 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 Enii of revenue and a loss after tax of £237,000 in respect of this acquisition.



4 | FINANCIAL STATEMENTS 30 JUNE 2022

Notes to the financial statements for the year ended 30 June 2022

d) Zestec Asset Mangement Limited acquisition

On 31 January 2021, the Group acquired Zestec Asset Mangement Limited a project sources for rooftop solar, through the purchase of 100% of the share capital for consideration of £4,765 000.

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

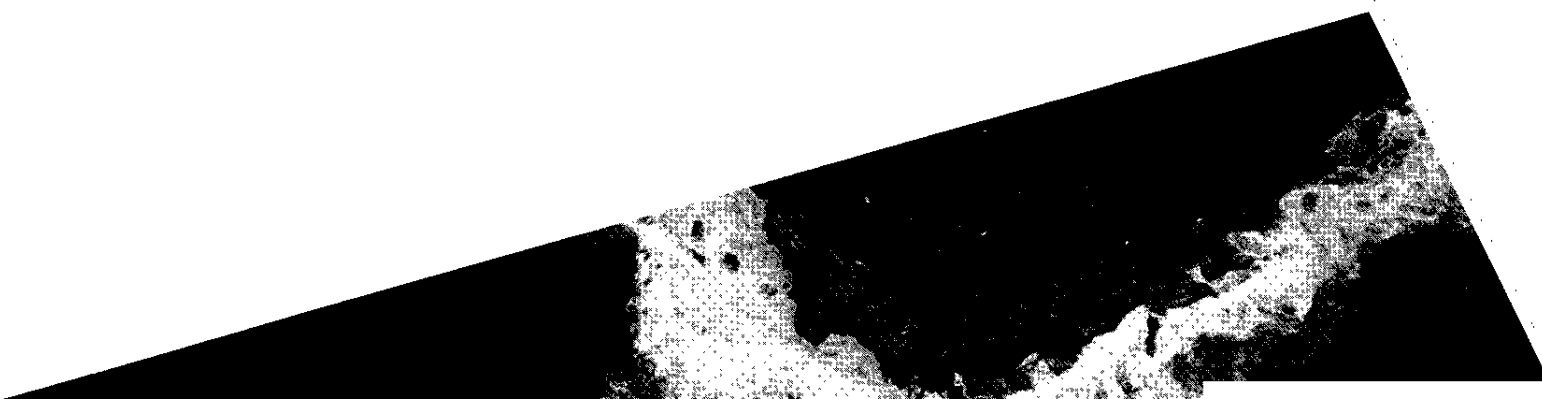
Consideration	£'000
Cash	3,672
Deferred consideration	–
Directly attributable costs	1,093
Total consideration	4,765

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	156	–	156
Trade and other creditors	(574)	–	(574)
Trade and other receivables	400	–	400
Cash and cash equivalents	1,019	–	1,019
Other loans	(46)	–	(46)
Net assets acquired	955	–	955
Goodwill			3,810
Total consideration			4,765

Goodwill resulting from the business combination was £3,810,000 and has an estimated useful life of 10 years, reflecting the estimated lifespan of the assets acquired.

The consolidated statement of comprehensive income for the year includes £198,000 of revenue and a loss before tax of £494,000 in respect of this acquisition.



4 | FINANCIAL STATEMENTS 30 JUNE 2022

Notes to the financial statements for the year ended 30 June 2022

e) Elivia Homes acquisition

On 23 May 2022, the Group acquired Elivia Holdings Limited and its subsidiaries, through the purchase of 100% of the share capital for consideration of £31,684,000.

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 included in note 29.

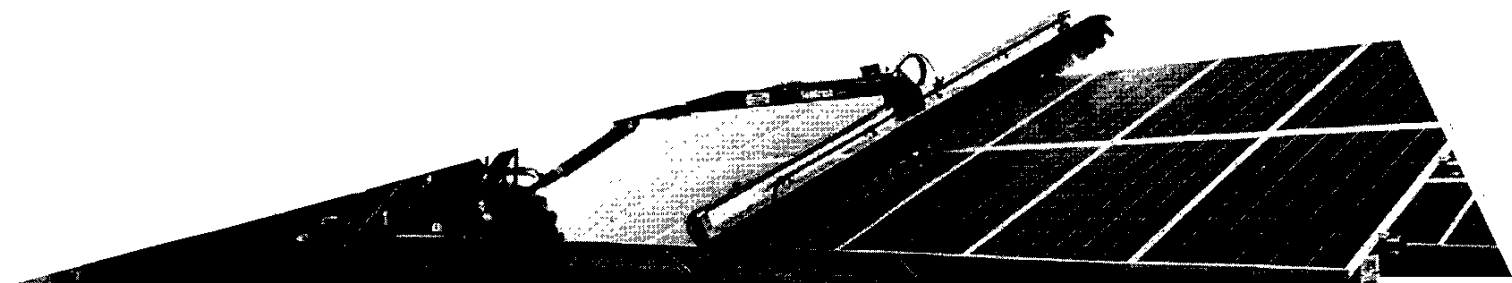
Consideration	£'000
Cash	30,999
Directly attributable costs	685
Total consideration	31,684

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	418	–	418
Intangible assets	11,767	–	11,767
Stock	69,939	–	69,939
Trade and other debtors	2,609	–	2,609
Cash and cash equivalents	11,603	–	11,603
Accruals and deferred income	(420)	–	(420)
Provisions	(930)	–	(930)
Deferred tax	6,000	(1,400)	4,600
Trade and other creditors	(69,453)	–	(69,453)
Net assets acquired	31,533	(1,400)	30,133
Goodwill			1,551
Total consideration			31,684

Goodwill resulting from the business combination was £1,551,000 and has an estimated useful life of 10 years, reflecting the lifespan of the assets acquired.

The consolidated statement of comprehensive income for the year includes revenue of £25,034,000 and a profit before tax of £1,502,000 in respect of this acquisition.



4 | FINANCIAL STATEMENTS 30 JUNE 2022

Notes to the financial statements for the year ended 30 June 2022

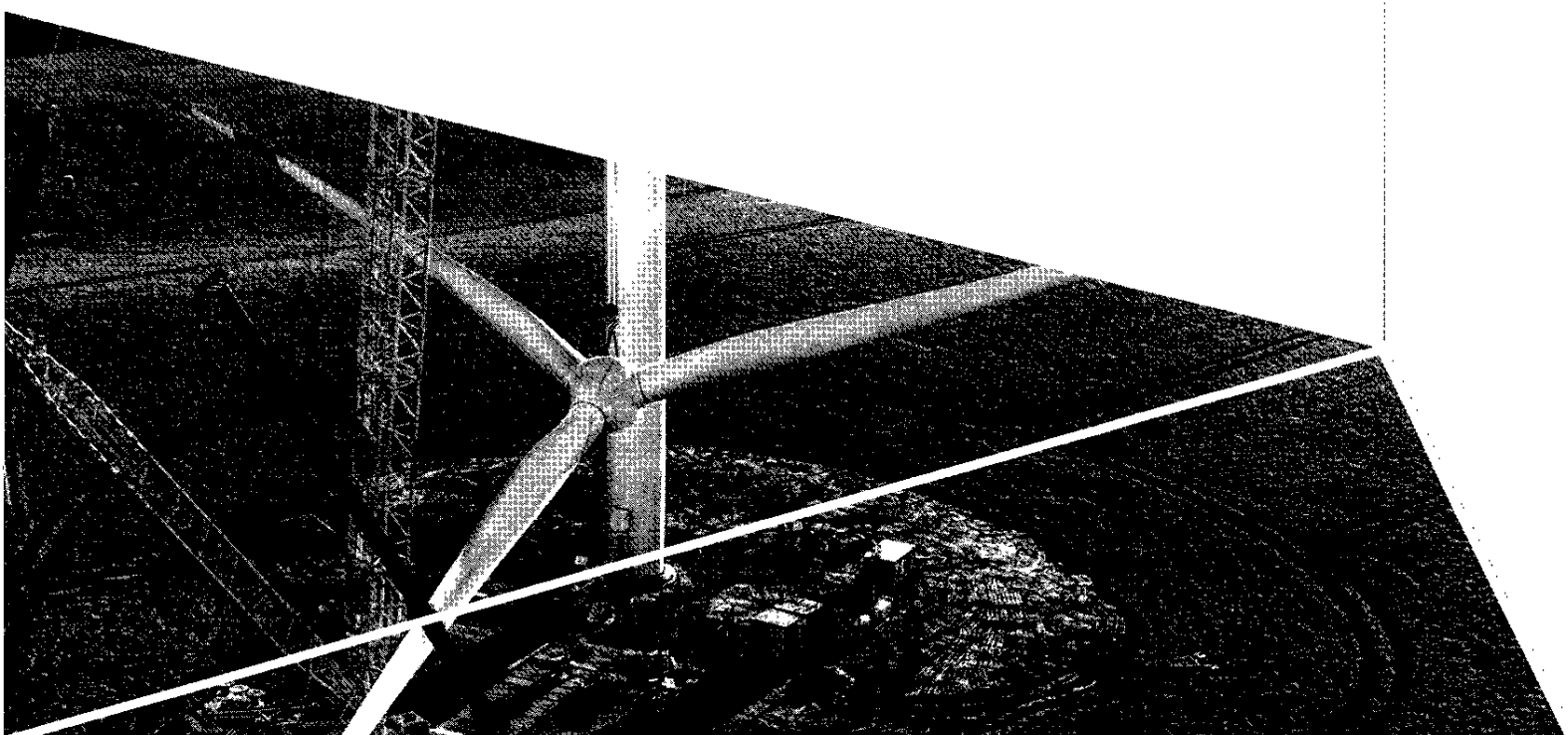
28 Non-GAAP Financial Measures

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:

		2022	2021
	Note	£'000	£'000
Bank loans and overdrafts	16	1,044,218	871,918
Other loans	14, 15	5,364	–
Gross debt		1,049,582	871,918
Cash at bank and in hand	11	(256,415)	(172,478)
Net debt		793,167	699,440



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Notes to the financial statements for the year ended 30 June 2022

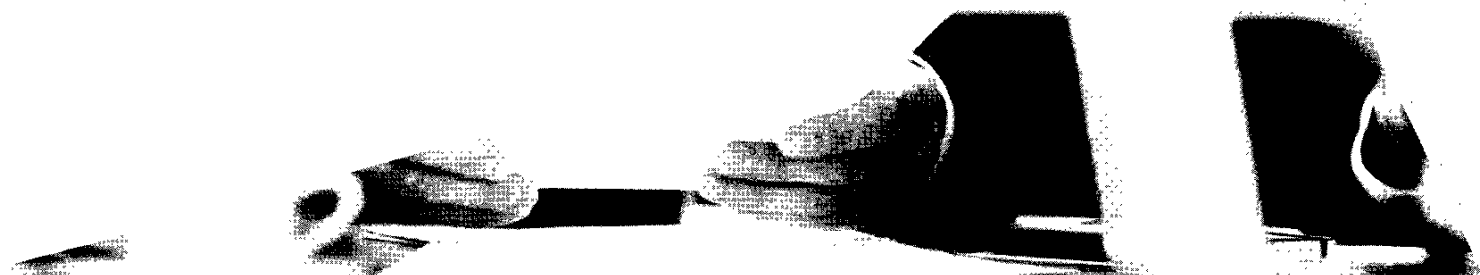
EBITDA

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:

		2022	(restated) 2021
	Note	£'000	£'000
Profit/(loss) for the financial year		31,310	(31,012)
Add			
Amortisation of intangible assets	2	37,849	37,704
Impairment of intangible assets	8	7,913	–
Depreciation of tangible assets	2	101,802	84,697
Interest payable and similar expenses	6	33,554	36,067
Exceptional items		1,105	–
Tax	7	16,294	8,349
Less			
Income from other fixed asset investments		(5,249)	(449)
Share of operating profit in joint venture		–	(1,755)
Profit on disposal of subsidiaries		(29,532)	(28,568)
Interest receivable and similar income	6	(130)	(997)
EBITDA		194,916	104,036

Note 26 details the prior period adjustments



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Notes to the financial statements for the year ended 30 June 2022

29 Subsidiary undertakings

Details of the subsidiary undertakings are as follows:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Abbots Ripton Solar Energy Holding Limited**	UK	Ordinary	100%	Holding company
Adalinda Solar SPV 1 Limited**	UK	Ordinary	100%	Energy generation
Agrisol-2 SARL ⁴	France	Ordinary	100%	Energy generation
AI Networks Limited**	UK	Ordinary	100%	Holding company
Allpoints Fibre Limited ^{6**}	UK	Ordinary	100%	Fibre network production
Auchencarroch Energy Limited ^{2**}	UK	Ordinary	100%	Energy generation
Auquhrie Land Company Limited ^{10**}	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%	Dormant company
Beinneun Wind Farm Ltd**	UK	Ordinary	100%	Energy generation
Belihouse 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 ⁵	Ireland	Ordinary	100%	Energy generation

4 FINANCIAL STATEMENTS 30 JUNE 2022

Notes to the financial statements for the year ended 30 June 2022

Name	Country of incorporation	Class of shares	Holding	Principal activity
Caswell Solar Farm Limited**	UK	Ordinary	100%	Energy generation
Cathkin Energy Limited2**	UK	Ordinary	100%	Energy generation
Causilgey Limited**	UK	Ordinary	100%	Energy generation
Cedar Energy and Infrastructure Limited	UK	Ordinary	100%	Holding company
CEPE Berceronne SARL7	France	Ordinary	100%	Energy generation
Centrale Eolienne de Production d'Énergie de Grandbois SARL7	France	Ordinary	100%	Energy generation
CEPE de la Saïesse SARL7	France	Ordinary	100%	Energy generation
C.E.P.E. de Lacombe (Centrale Eolienne de Production d'Énergie de Lacombe) SARL7	France	Ordinary	100%	Energy generation
CEPE de Marsanne SARL7	France	Ordinary	100%	Energy generation
CEPE Haut du Saule7	France	Ordinary	100%	Energy generation
CEPE de la Roche Quatre Rivières SARL7	France	Ordinary	100%	Energy generation
CEPE du pays de St Seine SARL7	France	Ordinary	100%	Energy generation
CERS S A S7	France	Ordinary	100%	Holding company
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%	Provision of O&M services
CLP Services Limited*	UK	Ordinary	100%	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

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Notes to the financial statements for the year ended 30 June 2022

Name	Country of incorporation	Class of shares	Holding	Principal activity
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
Connon Bridge Energy Limited**	UK	Ordinary	100%	Energy generation
Cotesbach Energy Limited**	UK	Ordinary	100%	Energy generation
Cour Wind Farm (Scotland) Limited ^{10**}	UK	Ordinary	100%	Energy generation
Crapnell Farm Limited**	UK	Ordinary	100%	Energy generation
Crayfern Homes (South Coast) Limited ¹¹	UK	Ordinary	100%	Development of building projects
Crayfern Limited ¹¹	UK	Ordinary	100%	Construction of domestic buildings
Crayfern Sunley (Slinfold) Limited ¹¹	UK	Ordinary	100%	Development of building projects
Craymarsh Limited**	UK	Ordinary	100%	Energy generation
Cressing Solar Farm Limited**	UK	Ordinary	100%	Energy generation
Culvery Power 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
Deepdate Farm Solar Limited**	UK	Ordinary	100%	Energy generation
Doveryard Limited**	UK	Ordinary	100%	Energy generation
Drapers Farm Limited**	UK	Ordinary	100%	Energy generation
Dulacca Energy Project Co PTY Ltd ¹²	Australia	Ordinary	100%	Energy generation
Dulacca Energy Project FinCo PTY Ltd ¹²	Australia	Ordinary	100%	Holding company
Dulacca Energy Project Holdco Co PTY Ltd ¹²	Australia	Ordinary	100%	Energy generation
Dulacca WF Holdco PTY Ltd ¹²	Australia	Ordinary	100%	Holding company
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

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Notes to the financial statements for the year ended 30 June 2022

Name	Country of incorporation	Class of shares	Holding	Principal activity
Elecsoi France 22 SARL ⁴	France	Ordinary	100%	Energy generation
Elecsoi France 24 SARL ⁴	France	Ordinary	100%	Energy generation
Elecsoi France 25 SARL ⁴	France	Ordinary	100%	Energy generation
Elecsoi France 28 SARL ⁴	France	Ordinary	100%	Energy generation
Elecsoi France 41 SARL ⁴	France	Ordinary	100%	Energy generation
Elecsoi Haut Var SARL ⁴	France	Ordinary	100%	Energy generation
Elios Energy 2 France SAS ²	France	Ordinary	100%	Holding company
Elios Energy 2 Limited	UK	Ordinary	100%	Holding company
Elios Energy 3 France SAS ⁷	France	Ordinary	100%	Holding company
Elios Energy Holdings 2 Limited ¹¹	UK	Ordinary	100%	Holding company
Elios Energy Holdings 3 Limited ¹¹	UK	Ordinary	100%	Holding company
Elios Energy Holdings Limited ¹¹	UK	Ordinary	100%	Holding company
Elios Renewable Energy Limited ¹¹	UK	Ordinary	100%	Holding company
Elivia Development Finance Limited ¹¹	UK	Ordinary	100%	Construction of domestic buildings
Elivia Holdings Limited	UK	Ordinary Deferred Preference	100%	Financial services holding companies
Elivia Homes (Central) Limited ¹¹	UK	Ordinary	100%	Construction of domestic buildings
Elivia Homes (Dormant 2) Limited ¹¹	UK	Ordinary	100%	Construction of domestic buildings
Elivia Homes (Grange Road) Limited ¹¹	UK	Ordinary	100%	Construction of domestic buildings
Elivia Homes (Netley) Limited ¹¹	UK	Ordinary	100%	Development of building projects
Elivia Homes (Southern) Limited ¹¹	UK	Ordinary	100%	Construction of domestic buildings
Elivia Homes (Surbiton) Limited ¹¹	UK	Ordinary	100%	Construction of domestic buildings
Elivia Homes Limited ¹¹	UK	Ordinary	100%	Development of building projects
Elivia North Limited ¹¹	UK	Ordinary	100%	Development of building projects
Elivia Oxford Limited ¹¹	UK	Ordinary	100%	Construction of domestic buildings Buying and selling of own real estate
Elivia South Limited ¹¹	UK	Ordinary	100%	Construction of domestic buildings

4 | FINANCIAL STATEMENTS 30 JUNE 2022

Notes to the financial statements for the year ended 30 June 2022

Name	Country of incorporation	Class of shares	Holding	Principal activity
Eliva Southern Limited ¹¹	UK	Ordinary	100%	Construction of domestic buildings Buying and selling of own real estate
Ellicombe Limited ¹²	UK	Ordinary	100%	Energy generation
Energy Power Resources Limited ¹³	UK	Ordinary	100%	Energy project development and management services
EPR Ely Limited ¹⁴	UK	Ordinary	100%	Energy generation
EPR Eye Limited ¹⁵	UK	Ordinary	100%	Energy generation
EPR Glanford Limited ¹⁶	UK	Ordinary	100%	Energy generation
EPR Renewable Energy Limited ¹⁷	UK	Ordinary	100%	Holding company
EPR Scotland Limited ¹⁸	UK	Ordinary	100%	Energy generation
EPR Thetford Limited ¹⁹	UK	Ordinary	100%	Energy generation
Eucalyptus Energy Holdings Limited ²⁰	UK	Ordinary	100%	Holding company
Eucalyptus Energy Limited ²¹	UK	Ordinary	100%	Holding company
Feltwell Energy Limited ²²	UK	Ordinary	100%	Energy generation
Fern Energy Cour Holdings Limited ²³	UK	Ordinary	100%	Holding company
Fern Energy Holdings Limited ²⁴	UK	Ordinary	100%	Holding company
Fern Energy Limited ²⁵	UK	Ordinary	100%	Holding company
Fern Energy Wind Holdings Limited ²⁶	UK	Ordinary	100%	Holding company
Fern Fibre Limited ²⁷	UK	Ordinary	100%	Holding company
Fern Healthcare Holdings Limited ²⁸	UK	Ordinary	100%	Holding company
Fern Infrastructure Limited ²⁹	UK	Ordinary	100%	Holding company
Fern Renewable Energy Limited ³⁰	UK	Ordinary	100%	Holding company
Fern Rooftop Solar (A) Limited ³¹	UK	Ordinary	100%	Energy generation
Fern Rooftop Solar (BBD) ³²	UK	Ordinary	100%	Energy generation
Fern Rooftop Solar (Zestec) Limited ³³	UK	Ordinary	100%	Energy generation
Fern Trading Development Limited ³⁴	UK	Ordinary	100%	Holding company
Fern Trading Group Limited	UK	UK	100%	Holding company
Fern UK Power Developments Limited ³⁵	UK	Ordinary	100%	Holding company
Fibrophos Limited ³⁶	UK	Ordinary	100%	Supply of fertiliser
Four Burrows Limited ³⁷	UK	Ordinary	100%	Energy generation
Fraistrorpe Wind Farm Limited ³⁸	UK	Ordinary	100%	Energy generation

4 | FINANCIAL STATEMENTS 30 JUNE 2022

Notes to the financial statements for the year ended 30 June 2022

Name	Country of incorporation	Class of shares	Holding	Principal activity
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
G en chamber Wind Energy Limited ^{13**}	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) Ltd**	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
Hull Reserve Power Limited**	UK	Ordinary	100%	Energy generation
Hursit SPV 1 Limited**	UK	Ordinary	100%	Energy generation
Immingham Power 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
K In Power Limited**	UK	Ordinary	100%	Energy generation
Larigan Power Limited**	UK	Ordinary	100%	Energy generation
Lenham Solar Limited**	UK	Ordinary	100%	Energy generation
Little T Solar Limited**	UK	Ordinary	100%	Energy generation
Littleton Solar Farm Limited**	UK	Ordinary	100%	Energy generation
LLUJ Communications Ltd**	UK	Ordinary	100%	Fibre network production
Lodaon Power Limited**	UK	Ordinary	100%	Energy generation

4 | FINANCIAL STATEMENTS 30 JUNE 2022

Notes to the financial statements for the year ended 30 June 2022

Name	Country of incorporation	Class of shares	Holding	Principal activity
Lovedean Limited**	UK	Ordinary	100%	Energy generation
Luminance Solar Limited**	UK	Ordinary	100%	Energy generation
M12 Solutions Limited**	UK	Ordinary	100%	Holding company
Marston Thorne Limited**	UK	Ordinary	100%	Energy generation
March Energy Limited**	UK	Ordinary	100%	Energy generation
Marden Power Limited**	UK	Ordinary	100%	Energy generation
Marley Thatch Solar Limited**	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
Mili 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 Hatcrlands 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
North Perrott Fruit Farm Limited**	UK	Ordinary	100%	Energy generation
Northwich Power Limited**	UK	Ordinary	100%	Energy generation
Notos Energy Limited**	UK	Ordinary	100%	Holding company
Ogmore Power Limited**	UK	Ordinary	100%	Energy generation
Oldhail Energy Recovery Holdings Limited**	UK	Ordinary	100%	Holding company
One Ashford Healthcare Limited	UK	Ordinary	89%	Provision of healthcare services
One Hatfield Hospital Limited	UK	Ordinary	90%	Provision of healthcare services

4 | FINANCIAL STATEMENTS 30 JUNE 2022

Notes to the financial statements for the year ended 30 June 2022

Name	Country of incorporation	Class of shares	Holding	Principal activity
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 (Condover Airfield & Stockbatch) Limited**	UK	Ordinary	100%	Energy generation
Pitts Farm Limited**	UK	Ordinary	100%	Energy generation
Porikos Solar Limited*	UK	Ordinary	100%	Holding company
Pyms Lane Solar Ltd**	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 Cirencester Limited**	UK	Ordinary	100%	Retirement village development
Rangeford Dorking 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
Rangeford Stapleford Limited**	UK	Ordinary	100%	Retirement village development
Reaches Farm Limited**	UK	Ordinary	100%	Energy generation
Redlake Power Limited**	UK	Ordinary	100%	Energy generation
Ryston Estate Limited**	UK	Ordinary	100%	Energy generation
Sammatt SARL ⁴	France	Ordinary	100%	Energy generation
Selby Power Limited**	UK	Ordinary	100%	Energy generation
SFP Fibre Limited ⁵	UK	Ordinary	100%	Fibre network production

4 | FINANCIAL STATEMENTS 30 JUNE 2022

Notes to the financial statements for the year ended 30 June 2022

Name	Country of incorporation	Class of shares	Holding	Principal activity
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%	Supply of biomass fuel
Snetterton Renewable Power Holdings Limited**	UK	Ordinary	100%	Holding 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
St Asaph Power Limited**	UK	Ordinary	100%	Energy generation
Steadfast Parkhouse Solar Limited**	UK	Ordinary	100%	Energy generation
Steadfast Rudge Solar Ltd**	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
Sunley Crayfern Lavant LLP ^{14*}	UK	NA	50%	NA
Swish Fibre Contracting Limited ⁸	UK	Ordinary	100%	Fibre network production
Swish Fibre Limited ⁹	UK	Ordinary	80%	Holding company
Swish Fibre Networks Ltd ⁸	UK	Ordinary	100%	Fibre network production
Swish Fibre Services Limited ⁸	UK	Ordinary	80%	Fibre network production
Swish Fibre Yorkshire ⁸	UK	Ordinary	100%	Fibre network production
Swish Trading Limited**	UK	Ordinary	80%	Holding company

4 | FINANCIAL STATEMENTS 30 JUNE 2022

Notes to the financial statements for the year ended 30 June 2022

Name	Country of incorporation	Class of shares	Holding	Principal activity
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
The Fern Power Company Limited**	UK	Ordinary	100%	Holding company
The Hollies Solar Farm Limited**	UK	Ordinary	100%	Energy generation
Thoresby Estate (Buddy) Limited**	UK	Ordinary	100%	Energy generation
Tillingham Power Limited**	UK	Ordinary	100%	Energy generation
Todnills 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
VCSE Ltd**	UK	Ordinary	100%	Fibre network production
Victoria Solar Limited**	UK	Ordinary	100%	Energy generation
Viners Energy Limited	UK	Ordinary	100%	Holding company
Vitrifi Limited**	UK	Ordinary	100%	Fibre network production
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%	Holding company
Vorboss US Inc ⁹	USA	Ordinary	100%	Fibre network production
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

4 | FINANCIAL STATEMENTS 30 JUNE 2022

Notes to the financial statements for the year ended 30 June 2022

Name	Country of incorporation	Class of shares	Holding	Principal activity
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
Wincelle Solar Holdings Limited**	UK	Ordinary	100%	Holding company
Wolverhampton Power Ltd**	UK	Ordinary	100%	Energy generation
Wryde Croft Wind Farm Limited ^{13**}	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
Zestec Asset Management Limited**	UK	Ordinary	100%	Energy generation

Acquired after year end

	Date
Fern Rooftop Solar (BBD) Limited	09/08/2022
Cuckoo Internet Ltd	31/08/2022
Vitrifi Digital Limited	13/07/2022
40h Limited	22/11/2022

¹³Subsidiaries 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



4 | FINANCIAL STATEMENTS 30 JUNE 2022

Notes to the financial statements for the year ended 30 June 2022

Dissolved or sold during the year and up until signing

	Date
Beinneun Holdings Limited	20/07/2021
Ridge Wind Acquisition Limited	20/07/2021
Fern Energy RidgeWind Acquisitions Limited	14/09/2021
Fern Energy RidgeWind Holdings Limited	21/09/2021
Fern Energy Partnerships Holdings Limited	21/09/2021
Fraisthorpe (Holding) Limited	29/03/2022
DY Oldhall Energy Recovery Limited	13/09/2022
Comm21 Ltd	15/09/2022
Darlington Point Holdco Pty Limited	08/07/2022
Darlington Point Solar Farm Pty Limited	08/07/2022
Darlington Point Subholdco Pty Limited	08/07/2022
Nordic Power Development Limited	23/12/2021
Voyrinkangas Wind Farm Oy	23/12/2021
Saunamaa Wind Farm Oy	23/12/2021

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

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

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

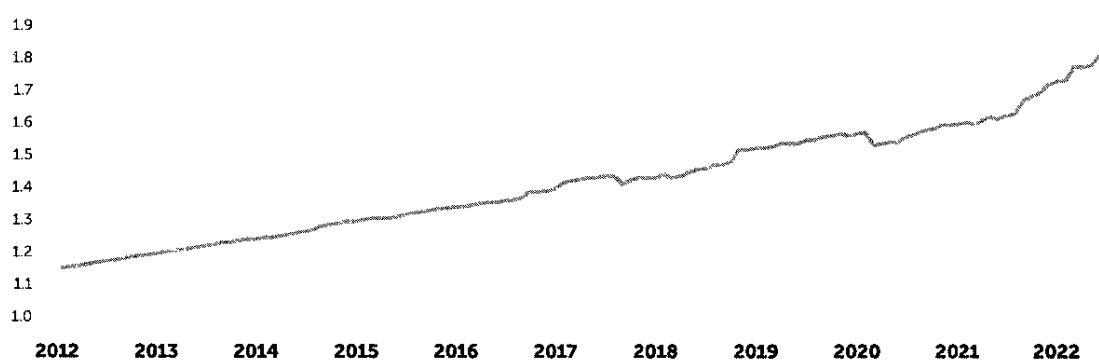
5 | APPENDIX – SHARE PRICE PERFORMANCE (UNAUDITED)

Fern's share price has performed in line with targets

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

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



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 Ernst & Young LLP.

Annual discrete performance

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

Source: Octopus Investments Limited, 2 June 2022

6 | COMPANY INFORMATION

Directors and advisers

Directors

PS Latham
KJ Willey
PG Barlow
T Arthur (appointed 1 July 2022)

Company secretary

Octopus Company Secretarial Services Limited

Company number

12601636

Registered office

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

Independent auditors

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

Forward-looking statements

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

