

Registered number: 08836542

**The Fern Power Company Limited**

**Unaudited**

**Directors' report and financial statements  
for the year ended 30 June 2018**

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# **The Fern Power Company Limited**

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# **The Fern Power Company Limited**

## **Company information**

<b>Directors</b>	J C N Digges P S Latham M G Setchell
<b>Company secretary</b>	Octopus Company Secretarial Services Limited
<b>Registered number</b>	08836542
<b>Registered office</b>	6th Floor 33 Holborn London EC1N 2HT

## **The Fern Power Company Limited**

### **Directors' report for the year ended 30 June 2018**

The directors present their report and the unaudited financial statements of the company for the year ended 30 June 2018.

#### **Principal activities**

The company is the parent company of a group of companies of which the principal activities are that of construction and operation of reserve power plants.

#### **Share capital**

On 18 April 2018, the company issued 5,340,000 ordinary shares of £0.01 each for a consideration of £5,340,000.

#### **Going concern**

The directors have at the date of approving these financial statements, a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

#### **Directors**

The directors who served during the year and up to the date of signing the financial statements, unless otherwise indicated, are given below:

J C N Digges (appointed 2 August 2018)

P S Latham

K McClure (appointed 14 November 2017) (resigned 2 August 2018)

M G Setchell (resigned 14 November 2017) (reappointed 2 August 2018)

#### **Statement of directors' responsibilities**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the 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" Section 1A, and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 Section 1A, have been followed, subject to material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

## **The Fern Power Company Limited**

### **Directors' report for the year ended 30 June 2018**

#### **Small company exemption**

In preparing this report, the directors have taken advantage of the small company exemptions provided by section 415A of the Companies Act 2006.

The directors have also taken advantage of the small company exemptions provided by section 414B of the Companies Act 2006 and have not prepared a strategic report.

This report was approved by the board on 28 ~ 11 ~ 2018 and signed on its behalf.

**Director**

A handwritten signature in black ink, consisting of a large, stylized 'W' or 'M' shape followed by a series of loops and a final flourish.

## The Fern Power Company Limited

### Statement of comprehensive income for the year ended 30 June 2018

	2018 £'000	2017 £'000
Administrative (expenses)/income	(2)	1
<b>Operating (loss)/profit</b>	<b>(2)</b>	<b>1</b>
Impairment of intercompany loan	(700)	-
Interest receivable and similar income	1,931	1,559
Interest payable and similar charges	(1)	-
<b>Profit on ordinary activities before taxation</b>	<b>1,228</b>	<b>1,560</b>
Tax on profit on ordinary activities	(366)	-
<b>Profit for the financial year</b>	<b>862</b>	<b>1,560</b>

All amounts above relate to continuing operations.

The company has no items of other comprehensive income for the current or preceding financial year. Therefore no separate statement of other comprehensive income has been presented.

The notes on pages 7 to 12 form part of these financial statements.

**The Fern Power Company Limited**

Registered number: 08836542

**Balance sheet  
as at 30 June 2018**

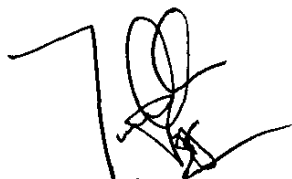
	Note	2018 £'000	2018 £'000	2017 £'000	2017 £'000
<b>Fixed assets</b>					
Investments	4		-		-
<b>Current assets</b>					
Debtors	5	32,365		24,392	
Cash at bank and in hand		66		1,821	
		<u>32,431</u>		<u>26,212</u>	
<i>Creditors: amounts falling due within one year</i>	6	<u>(751)</u>		<u>(734)</u>	
<b>Net current assets</b>			<b>31,680</b>		<b>25,478</b>
<b>Net assets</b>			<u><b>31,680</b></u>		<u><b>25,478</b></u>
<b>Capital and Reserves</b>					
Called up share capital	7		315		261
Share premium account			31,135		25,849
Retained earnings			230		(632)
<b>Total shareholders' funds</b>			<u><b>31,680</b></u>		<u><b>25,478</b></u>

The directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 479A of the Companies Act 2006 ("the Act") and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Act.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 28-11- 2018.

Director



The notes on pages 7 to 12 form part of these financial statements.

## The Fern Power Company Limited

### Statement of changes in equity for the year ended 30 June 2018

	Called up share capital £'000	Share premium account £'000	Retained earnings £'000	Total shareholders' funds/(deficit) £'000
At 1 July 2016	-	-	(2,192)	(2,192)
Profit for the financial year	-	-	1,560	1,560
Issue of share capital	261	25,849	-	26,110
<b>At 30 June 2017</b>	<b>261</b>	<b>25,849</b>	<b>(632)</b>	<b>25,478</b>
At 1 July 2017	261	25,849	(632)	25,478
Profit for the financial year	-	-	862	862
Issue of share capital	54	5,286	-	5,340
<b>At 30 June 2018</b>	<b>315</b>	<b>31,135</b>	<b>230</b>	<b>31,680</b>

The notes on pages 7 to 12 form part of these financial statements.



# **The Fern Power Company Limited**

## **Notes to the financial statements for the year ended 30 June 2018**

### **1. General information**

The Fern Power Company Limited is a private company, limited by shares, incorporated in and domiciled in England, the United Kingdom, registered number 08836542. The registered office is 6th Floor, 33 Holborn, London, EC1N 2HT.

The company is the parent company of a group of companies of which the principal activities are that of construction and operation of reserve power plants.

### **2. Accounting policies**

#### **2.1 Basis of preparation of financial statements**

The financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company accounting policies. No critical judgements have been applied to these financial statements.

The following principal accounting policies have been applied:

#### **2.2 Exemptions for qualifying under FRS 102**

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

The company has taken advantage of the following exemptions:

- from preparing a statement of cash flows, required under Section 7 of FRS 102 and para 3.17(d), on the basis that it is a small company;
- from disclosing the company's key management personnel compensation as required by FRS 102 para 33.7; and
- from disclosing related party transactions that are wholly owned within the same group.

#### **2.3 Consolidation**

These financial statements contain information about the company as an individual company and do not contain consolidated financial information as a parent undertaking of a group. The company is exempt under Section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its ultimate parent undertaking, Fern Trading Limited, a company incorporated in England, the United Kingdom.

#### **2.4 Going concern**

The directors have at the date of approving these financial statements, a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

## **The Fern Power Company Limited**

### **Notes to the financial statements for the year ended 30 June 2018**

#### **2. Accounting policies (continued)**

##### **2.5 Foreign currency**

*(i) Functional and presentation currency*

The company's functional and presentation currency is the pound sterling.

*(ii) Transactions and balances*

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income within administrative expenses.

##### **2.6 Investments**

Investments held as fixed assets are shown at cost less provision for impairment.

##### **2.7 Impairment of non-financial assets**

At each reporting date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset (or asset's cash generating unit) may be impaired. If there is such an indication the recoverable amount of the asset (or asset's cash generating unit) is compared to the carrying amount of the asset (or asset's cash generating unit).

The recoverable amount of the asset (or asset's cash generating unit) is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's (or asset's cash generating unit) continued use. These cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset (or asset's cash generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the profit and loss account, unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in the profit and loss account.

If an impairment loss is subsequently reversed, the carrying amount of the asset (or asset's cash generating unit) 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 (net of depreciation or amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the statement of comprehensive income.

# **The Fern Power Company Limited**

## **Notes to the financial statements for the year ended 30 June 2018**

### **2. Accounting policies (continued)**

#### **2.8 Leasing and hire purchase**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the statement of comprehensive income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

#### **2.9 Operating leases**

Rentals under operating leases are charged to the statement of comprehensive income on a straight-line basis over the lease term.

#### **2.10 Taxation**

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

##### *(i) Current tax*

Current tax is the amount of income tax payable in respect of the taxable profit for the period or prior periods. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

##### *(ii) Deferred tax*

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

## **The Fern Power Company Limited**

### **Notes to the financial statements for the year ended 30 June 2018**

#### **2. Accounting policies (continued)**

##### **2.11 Financial instruments**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such on the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the statement of comprehensive income. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

##### **2.12 Related party transactions**

The company discloses transactions with related parties which are not wholly owned with the same group. It does not disclose transactions with members of the same group that are wholly owned.

## The Fern Power Company Limited

### Notes to the financial statements for the year ended 30 June 2018

#### 3. Employees and directors' remuneration

The company has no employees other than the directors, who did not receive or waive any remuneration (2017: £nil).

#### 4. Investments

	Subsidiary undertakings £'000
<b>Cost</b>	
At 1 July 2017 and 30 June 2018	-
<b>Net book value</b>	
At 30 June 2018	-
At 30 June 2017	-

#### *Subsidiary undertakings*

The following were subsidiary undertakings of the company:

Name	Country of incorporation	Class of Shares	Holding	Principal activity
Banbury Power Limited	UK	Ordinary	100%	Energy generation
Cynon Power Limited	UK	Ordinary	100%	Energy generation
Dafen Reserve Power Limited	UK	Ordinary	100%	Energy generation
NeVERN Power Limited	UK	Ordinary	90%	Energy generation

The registered office of all of the companies listed above is 6th Floor, 33 Holborn, London, EC1N 2HT.

5. Debtors	2018 £'000	2017 £'000
Trade debtors	1,610	-
Amounts owed by group undertakings	27,175	21,629
Other debtors	299	124
Prepayments and accrued income	3,281	2,639
	<b>32,365</b>	<b>24,392</b>

Included within amounts owed by group undertakings are unsecured loans with year end balances totalling £27,175,000 (2017: £21,629,000) net of a provision of £2,885,000 (2017: £2,185,000). The loans bear interest at 7.5% (2017: 10%) and are repayable on demand. A provision of £700,000 (2017: £nil) was made against the intercompany loans during the year.

## The Fern Power Company Limited

### Notes to the financial statements for the year ended 30 June 2018

<b>6. Creditors - amounts falling due within one year</b>	<b>2018 £'000</b>	<b>2017 £'000</b>
Trade creditors	382	732
Other creditors	366	-
Accruals and deferred income	3	2
	<b>751</b>	<b>734</b>
<b>7. Called up share capital</b>	<b>2018 £'000</b>	<b>2017 £'000</b>
<b>Allotted, called up and fully paid</b>		
31,450,001 (2017: 26,110,001) Ordinary shares of £0.01	<b>315</b>	<b>261</b>

On 25 November 2016, the company issued 26,110,000 ordinary shares of £0.01 each for a consideration of £26,110,000.

On 18 April 2018, the company issued 5,340,000 ordinary shares of £0.01 each for a consideration of £5,340,000.

### 8. Related party transactions

The company has taken advantage of the exemption under paragraph 33.1A from the provisions of FRS 102, on the grounds that at 30 June 2018 it was a wholly owned subsidiary.

### 9. Ultimate parent undertaking and controlling party

The immediate and ultimate parent undertaking and controlling party is Fern Trading Limited, a company incorporated in England. Fern Trading Limited, is the smallest and largest group of undertakings to consolidate these financial statements. Copies of Fern Trading Limited consolidated financial statements can be obtained from the Company Secretary, 6th Floor, 33 Holborn, London, EC1N 2HT.