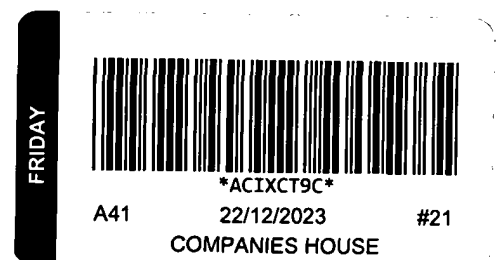


Cedar Energy and Infrastructure Limited
Annual report and financial statements
for the year ended 30 June 2023

Registered number: 12203483



Cedar Energy and Infrastructure Limited

Annual report and financial statements

for the year ended 30 June 2023

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Cedar Energy and Infrastructure Limited

Directors and advisers

Directors

E W Fellows

S M Grant (appointed on 6 January 2023)

P S Latham (resigned 6 January 2023)

M G Setchell (resigned on 8 March 2023)

Company secretary

Octopus Company Secretarial Services Limited

Company number

12203483

Registered office

33 Holborn

London

England

EC1N 2HT

Independent auditors

Ernst & Young LLP

Bedford House

16 Bedford Street

Belfast

BT2 7DT

Cedar Energy and Infrastructure Limited

Strategic report for the year ended 30 June 2023

Introduction

The Directors present their strategic report on Cedar Energy and Infrastructure Limited (the “Company”) for the year ended 30 June 2023. Consolidated financial statements have been prepared for the Company together with its subsidiaries, which together comprise the ‘Group’.

Principal activities and business review

Cedar Energy and Infrastructure Limited is 100% owned by Fern Trading Group Limited. Its ultimate parent company is Fern Trading Limited. The principal activities of the Company are that of a holding company. The Group has continued to undertake the trade of constructing and operating renewable energy sites across the UK, Ireland, Europe and Australia. The Group provides funding for commercial solar, onshore wind, biomass, landfill gas, energy recovery and reserve power sites, funded through external debt and shareholder loans.

In measuring the Group’s performance, the financial measures that the Group use include those that have been derived from the reported results 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 24 of the notes to the financial statements.

Financial performance

The Group performed well for the year ended 30 June 2023. Continued demand for energy in the UK and stabilised wholesale energy prices throughout the year resulted in an overall increase in revenue earned across the energy sites of 3% to £606m (2022: £590m). Revenue increased despite a decrease in power prices in the second half of the period. Further, operational downtime was experienced at one biomass site due to a fault with a gearbox. The insurance claim for lost revenue has been settled in full.

EBITDA decreased by 11% to £238m (2022: £266m restated). Overall total operating costs increased by £30m to £490m (2022: £461m), mainly driven by 22% increase in raw materials prices in the biomass and reserve power sites, on average. The combined cost of sales for the reserve power and biomass sites increased by £47m to £264m (2022: £217m). It should be noted that the revenue generated by the biomass and reserve power sites also increased by £18m during the year to £371m (2022: £353m).

Included in the results this year is a loss of £1m recognised on the sale of Darlington Point, a large solar site in Australia, in July 2022. Dulacca wind farm, our large-scale construction project in Western Australia, was completed after year end and subsequently sold in October 2023, for a profit of £22m.

Fourteen energy sites were under construction at 30 June 2023 and are therefore included within the cost base but are not yet contributing towards revenue. As these assets reach completion, and others that have recently become operational contribute revenue for the entire financial period, the Group is expected to increase operational efficiency and performance.

Financial position

The disposal of the Darlington Point solar site has seen fixed assets fall by £108m to £1,517m (2022: £1,625m). Goodwill, at £451m (2022: £483m), continues to be a significant number on the balance sheet and arises on the acquisition of some businesses. Acquired businesses often have a market value in excess of the company’s net assets, reflecting their estimated 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.

Cedar Energy and Infrastructure Limited

Strategic report for the year ended 30 June 2023 (continued)

Principal activities and business review (continued)

Financial position (continued)

Put simply, the market value of the energy generation businesses reflects the value of future expected profits, not the cost of simply buying tangible assets such as solar panels or wind turbines. The Group pays market value for the sites it acquires, 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 amortised, typically over the life of the site, as expected returns are realised.

The Group reported a cash balance as at 30 June 2023 of £98m (2022: £152m). With a number of assets currently under construction the Group monitors cash requirements carefully throughout the year and utilises external financing to maximise deployment and drive growth. The Company holds a revolving credit facility (“RCF”) that enables the Group to effectively manage short to medium term cash flows. The RCF capacity was increased during the year to £290m (2022: £210m). Of the £290m available to the Company, £125m (2022: £Nil) of the RCF was drawn as at 30 June 2023.

With energy prices stabilising during the year following very high and volatile levels last year, the estimated impact of the Electricity Generator Levy (“EGL”) is now expected to lower, with a drop in the market valuation of approximately £8m (2022 estimation: £45m) in total for the sites affected.

The Directors anticipate that through its underlying trading performance the Group will continue to achieve shareholder objectives. They continue to regularly review strategic options for the Group.

Principal risks and uncertainties

Management identifies, assesses, and manages 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. The principal risks that the Group are exposed to are described below, along with the mitigation actions the Group takes to reduce the potential impact of the risk.

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.

Mitigations:

- Contracts are entered into which fix the income for a portion of the energy generated by the Group’s sites.
- Long-term government backed offtake agreements are in place, such as the Renewable Obligation Certification (“ROC”) scheme. 30% of the Group’s energy income was generated from ROC revenue.
- The Group engages 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.

The Directors do not anticipate any significant changes to UK government energy subsidies, supported by the commitment shown by the government to renewable energy and subsidies as part of its net zero strategy. Weaker conditions for energy production from one technology often result in stronger production elsewhere. As such the risk of exposure to price fluctuations in a single energy market is mitigated by the diversification across geographies and technologies.

Cedar Energy and Infrastructure Limited

Strategic report for the year ended 30 June 2023 (continued)

Principal risks and uncertainties (continued)

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 downtime.

Mitigations:

- 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.

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.

Mitigations:

- Management ensures only a small portion of the Group's assets and revenues are expected to be derived from overseas sites.

Construction risk

Construction of the sites takes longer or is more costly than anticipated due to resource availability or increased cost of raw materials.

Mitigations:

- The Group enters fixed price contracts with contractors where appropriate to reduce exposure to increasing costs.

Liquidity and cash flow risk

Poor management of cash within the Group could impact the Group's ability to meet obligations as they fall due.

Mitigations:

- 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 a quarterly basis this is shared with the Board of Directors of the company (the "Board").
- The Group monitors bank covenants on an ongoing basis to ensure continued adherence to covenants. Where covenants cannot be met, forecasts are updated for the lower cash available as a result of the restriction.
- The Company has a revolving credit facility and an overdraft facility which can be drawn on at short notice to meet immediate business needs.

Health and Safety risk:

The safety of the Group's 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.

- The Group has developed robust health and safety policies in compliance with ISO45001 across the Group to ensure the well-being of its staff.
- Health and safety training is provided to staff and contractors on a regular basis.

Statement by the Directors in performance of their statutory duties in accordance with sections 172(1)(a) to (f) Companies Act 2006

The Directors 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 sections 172(1)(a-f) of the Act) in the decisions taken during the year ended 30 June 2023.

Cedar Energy and Infrastructure Limited

Strategic report for the year ended 30 June 2023 (continued)

Statement by the Directors in performance of their statutory duties in accordance with sections 172(1)(a) to (f) Companies Act 2006 (continued)

In the performance of their duty to promote the success of the Group, the Directors have 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 they fully understand the potential impacts of the decisions it makes. The Directors fulfil duties partly by delegation to committees and the boards of subsidiary undertakings, who operate within a corporate governance framework across the Group.

A monthly review of financial and operational performance is undertaken by the Directors, as well as legal and regulatory compliance. The Directors also review other areas over the course of the financial year including the Group's business strategy, key risks, health and safety, stakeholder-related matters, diversity and inclusivity, environmental matters, corporate responsibility, governance, compliance, and legal matters.

Principal decisions

The Group defines principal decisions taken by the Directors as those decisions that are of a strategic nature and that are significant to any of its key stakeholder groups.

Shareholders

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 the Companies House website.

Employees

The Group's employees are fundamental to the overall success of the business. The Directors fulfil their duty to employees by entrusting oversight and management of employees to subsidiary boards.

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. The Directors fully realise that the Group's 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 the Group aims 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 the Group's employees in the workplace is a continual focus for the Group, given its broad operational businesses. The Directors review Health & Safety Reporting monthly 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 subsidiaries' boards having oversight of the actions taken.

The Group outsources activities and management of certain operational activities to external suppliers. Where activities are outsourced, the Directors ensure that they are managed by reputable suppliers who meet all the relevant industry and regulatory commitments and treat employees fairly.

Expected standards are documented in all service contracts and adherence to these is continually monitored by the Directors through the management service contract with Octopus Investments Limited.

Cedar Energy and Infrastructure Limited

Strategic report for the year ended 30 June 2023 (continued)

Statement by the Directors in performance of their statutory duties in accordance with sections 172(1)(a) to (f) Companies Act 2006 (continued)

Suppliers and customers

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

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 Directors closely monitor customer metrics and engage with the management teams to understand the issues if business performance does not meet customers' expectations.

The Directors consider 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. The Group's renewable energy business is helping the UK meet its renewable energy targets.

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 is to operate in sectors and work with other businesses that share our values.

Business ethics and governance

The Directors are 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, 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 9. In the year to 30 June 2023 no areas of concern have been raised in this regard.

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

The Group'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 8. The Directors promote a corporate culture that is based on ethical values and behaviours.

Financial key performance indicators ("KPIs")

The Group monitors EBITDA as a measure of performance against detailed Group budgets set at the beginning of the financial year. EBITDA is used in order to eliminate factors that may distort year-on-year comparisons that may arise when using financial measures. As this is considered a non-GAAP financial measure, a reconciliation of EBITDA to the financial results can be found in note 24 of the notes to the financial statements.

Cedar Energy and Infrastructure Limited

Strategic report for the year ended 30 June 2023 (continued)

Financial key performance indicators (“KPIs”) (continued)

In the case of its operational subsidiaries, their performance is measured against detailed financial forecast models and a returns target set at inception. Results thus far for the Group as a whole have been materially in line with expectations.

Objectives and strategies

The Directors do not expect any change in the Group’s activities during the next financial year but continue to remain open to opportunities that they believe will enhance the Group returns.

This report was approved by the board on 20 December 2023 and signed on its behalf.

A handwritten signature in black ink, consisting of a stylized 'E' followed by a long horizontal stroke.

E W Fellows
Director

Cedar Energy and Infrastructure Limited

Directors' report for the year ended 30 June 2023

Introduction

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

Results and dividends

The total profit for the financial year amounted to £55m (2022: £113m restated). The Group paid interim dividends of £560m (2022: £768m) during the year. No final dividend was declared by the Company.

Directors

The Directors who served during the year and up to the date of signing the financial statements were:

E W Fellows

P S Latham (resigned 6 January 2023)

S M Grant (appointed on 6 January 2023)

M G Setchell (resigned on 8 March 2023)

Matters covered in the Strategic report

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.

Post balance sheet events

Refer to note 26 in the Notes to the financial statements.

Climate change and environmental impacts

The Group's involvement in renewable energy, as owner and operator of solar and wind farms, biomass and landfill gas, and energy recovery has enabled us to make a positive contribution to the climate change agenda.

Employment of disabled persons

Applications for employment by disabled persons are given full and fair consideration for all vacancies, having regard to their 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. The Group places great emphasis on internal succession and has a comprehensive training and career development programme applicable to all employees.

Employee Information

The Group fully realises 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 it aims to establish a climate which constantly encourages the open flow of information and ideas. Presently this includes a combination of monthly team briefings at a local level, quarterly newsletters, and roadshows (presently held virtually) and the publication of key performance indicators covering output, operating costs and health and safety on a weekly and monthly basis.

Future outlook

The Directors expect the assets of the Group to continue to perform in line with current performance over the useful lives of the renewable energy sites.

Business ethics and governance

Management 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, 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 below. In the year to 30 June 2023 no areas of concern have been raised in this regard.

Cedar Energy and Infrastructure Limited

Directors' report for the year ended 30 June 2023 (continued)

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and regulations. Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the group and company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the company and of the profit or loss of the group and 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;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- state whether applicable UK Accounting Standards, including FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is appropriate to presume that the company and/ or the group will not continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the company and the group financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and parent company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. Under applicable law and regulations, the directors are also responsible for preparing a strategic report, directors' report, that comply with that law and those regulations. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

Going concern

The Directors have considered the Group's ability to continue as a going concern for a period of at least twelve months from the date of approval of these financial statements. Further details of this assessment are provided in the basis of preparation on page 21. Following review, the Directors are satisfied that the Group has sufficient resources available in order to meet its financial obligations as they fall due. On this basis the Directors believe it is appropriate that the financial statements are prepared on a going concern basis.

Directors' indemnities

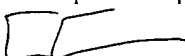
As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third-party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and currently remains in force.

Disclosure of information to auditors

Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that:

- so far as that the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Company's auditors are unaware; and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This report was approved by the board on 20 December 2023 and signed on its behalf.



E W Fellows
Director

Cedar Energy and Infrastructure Limited

Independent auditors' report to the members of Cedar Energy and Infrastructure Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Cedar Energy and Infrastructure Limited ('the Parent Company') and its subsidiaries (the 'Group') for the year ended 30 June 2023 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 2023 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.

Cedar Energy and Infrastructure Limited

Independent auditors' report to the members of Cedar Energy and Infrastructure Limited (continued)

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 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 page 9, 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

Cedar Energy and Infrastructure Limited

Independent auditors' report to the members of Cedar Energy and Infrastructure Limited (continued)

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.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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.

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 Cedar Energy and Infrastructure 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; and
 - review of board meeting minutes in the period and to date of signing.

Cedar Energy and Infrastructure Limited

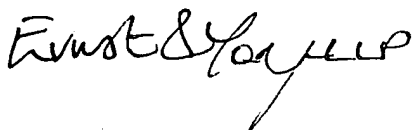
Independent auditors' report to the members of Cedar Energy and Infrastructure Limited (continued)

- 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 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 <https://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 2023

Cedar Energy and Infrastructure Limited

Consolidated statement of comprehensive income for the year ended 30 June 2023

	Note	2023 £'000	2022 (restated) £'000
Turnover	1	605,713	589,896
Cost of sales		(317,287)	(270,102)
Gross profit		288,426	319,794
Administrative expenses		(172,499)	(190,980)
Operating profit	3	115,927	128,814
Other income	2	3,391	3,137
(Loss)/Profit on disposal of subsidiaries and joint venture	9	(1,098)	29,532
Interest receivable and similar income	6	427	86
Interest payable and similar expenses	7	(41,664)	(22,251)
Profit before tax		76,983	139,318
Tax on profit	8	(21,673)	(25,826)
Profit for the financial year		55,310	113,492
Attributable to Cedar Energy and Infrastructure Limited		55,370	113,146
Minority Interest	20	(60)	346
Profit for the financial year		55,310	113,492
Other comprehensive income			
Movements in cash flow hedges (net of deferred tax)		39,599	71,401
Foreign exchange gain on retranslation of subsidiaries		(11,428)	12,439
Other comprehensive income for the year		28,171	83,840
Total comprehensive income for the year		83,481	197,331
Attributable to			
Owners of the parent		83,541	196,985
Non-controlling interests		(60)	346

All results relate to continuing operations.

Note 27 details the prior period adjustments.

Cedar Energy and Infrastructure Limited

Consolidated balance sheet as at 30 June 2023

	Note	2023 £'000	2022 (restated) £'000
Fixed assets			
Intangible assets	9	454,437	495,351
Tangible assets	10	1,516,762	1,624,660
		1,971,199	2,120,011
Current assets			
Stocks	13	28,086	26,466
Debtors	14	275,376	227,019
Cash at bank and in hand		97,531	151,830
		400,993	405,315
Creditors: amounts falling due within one year	15	(328,745)	(240,127)
Net current assets		72,248	165,188
Total assets less current liabilities		2,043,447	2,285,199
Creditors: amounts falling due after more than one year	16	(941,423)	(956,868)
Provisions for liabilities	18	(96,725)	(86,509)
Net assets		1,005,299	1,241,822
Capital and reserves			
Called up share capital	19	13,674	11,176
Share premium account		1,353,712	1,106,395
Merger reserve		268,569	268,569
Cash flow hedge reserve		91,516	51,917
Profit and loss account		(722,172)	(205,796)
Total shareholders' funds		1,005,299	1,232,261
Non-controlling interests	20	-	9,561
Capital employed		1,005,299	1,241,822

Note 27 details the prior period adjustments. The financial statements on pages 14 to 55 were approved by the Board of Directors on 20 December 2023 and signed on its behalf by:



E W Fellows, Director
Company number: 12203483

Cedar Energy and Infrastructure Limited

Company balance sheet as at 30 June 2023

	Note	2023 £'000	2022 £'000
Fixed assets			
Investments	11	1,574,736	1,666,499
Current assets			
Debtors	14	3,215	1,050
Cash at bank and in hand		487	551
		3,702	1,601
Creditors: amounts falling due within one year	15	(125,428)	(195)
Net current (liabilities)/assets		(121,726)	1,406
Total assets less current liabilities		1,453,010	1,667,905
Net assets		1,453,010	1,667,905
Capital and reserves			
Called up share capital	19	13,674	11,176
Share premium account		1,353,712	1,106,395
Profit and loss account		85,624	550,334
Total shareholders' funds		1,453,010	1,667,905

The Company has elected to take the exemption under section 408 of the Companies Act 2006, from presenting its individual profit and loss account. The profit for the financial period dealt with in the financial statements of the Company was £95,607,000 (2022: £391,141,000).

The financial statements on pages 14 to 55 were approved by the Board of Directors on 20 December 2023 and signed on its behalf by



E W Fellows, Director
Company number: 12203483

Cedar Energy and Infrastructure Limited

Consolidated statement of changes in equity for the year ended 30 June 2023 (restated)

	Called up share capital	Share premium account	Cash flow hedge reserve	Merger reserve	Profit and loss account	Total shareholders' funds	Non- controlling interest	Capital employed
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance as at 30 June 2021	5,137	508,597	(14,979)	268,569	430,674	1,197,998	9,215	1,207,213
Effects of prior period adjustments (note 27)	-	-	(4,504)	-	5,849	1,345	-	1,345
Restated balance as at 30 June 2021	5,137	508,597	(19,483)	268,569	436,523	1,199,343	9,215	1,208,558
Profit for the financial year (restated)	-	-	-	-	113,146	113,146	346	113,492
Issue of share capital	6,039	597,798	-	-	-	603,837	-	603,837
Dividends paid	-	-	-	-	(767,904)	(767,904)	-	(767,904)
Foreign exchange movements	-	-	-	-	12,439	12,439	-	12,439
Movements on cash flow hedge reserve (restated)	-	-	71,400	-	-	71,400	-	71,400
Restated Balance as at 30 June 2022	11,176	1,106,395	51,917	268,569	(205,796)	1,232,261	9,561	1,241,822
Profit for the financial year	-	-	-	-	55,370	55,370	(60)	55,310
Disposal of minority interest	-	-	-	-	-	-	(9,501)	(9,501)
Issue of share capital	2,498	247,317	-	-	-	249,815	-	249,815
Dividends paid	-	-	-	-	(560,318)	(560,318)	-	(560,318)
Foreign exchange movements	-	-	-	-	(11,428)	(11,428)	-	(11,428)
Movements on cash flow hedge reserve	-	-	39,599	-	-	39,599	-	39,599
Balance as at 30 June 2023	13,674	1,353,712	91,516	268,569	(722,172)	1,005,299	-	1,005,299

Note 27 details the prior period adjustments.

Cedar Energy and Infrastructure Limited

Company statement of changes in equity for the year ended 30 June 2023

	Called up share capital £'000	Share premium account £'000	Profit and loss account £'000	Total shareholders' funds £'000
Balance as at 30 June 2021	5,137	508,597	927,099	1,440,833
Shares issued during the year	6,039	597,798	-	603,837
Total comprehensive income for the year	-	-	391,139	391,139
Dividends paid	-	-	(767,904)	(767,904)
Balance as at 30 June 2022	11,176	1,106,395	550,334	1,667,905
Shares issued during the year	2,498	247,317	-	249,815
Total comprehensive income for the year	-	-	95,607	95,607
Dividends paid	-	-	(560,317)	(560,317)
Balance as at 30 June 2023	13,674	1,353,712	85,624	1,453,010

Cedar Energy and Infrastructure Limited

Consolidated statement of cash flows for the year ended 30 June 2023

	Note	2023 £'000	2022 (restated) £'000
Cash flows from operating activities			
Profit/(loss) for the financial year attributable to the owners of the parent		55,370	113,146
Adjustments for:			
Tax on profit on ordinary activities	8	21,673	25,826
Interest receivable and similar income	6	(427)	(86)
Interest payable and other similar charges	7	41,664	22,251
Profit on disposal of subsidiaries	9	1,098	(29,532)
Amortisation of intangible fixed assets	9	35,030	34,859
Impairment of intangible fixed assets	9	-	7,913
Depreciation of tangible fixed assets	10	82,943	91,601
Movements on derivatives and foreign exchange		(19,149)	(16,288)
Decrease/(increase) in stock	13	(1,619)	(6,908)
Decrease/(increase) in debtors		(1,626)	(42,245)
(Decrease)/increase in creditors		(69,958)	(25,694)
Non-controlling interests	20	(60)	346
Tax received		9,846	14,844
Net cash generated from operating activities		154,785	190,033

Cedar Energy and Infrastructure Limited

Consolidated statement of cash flows for the year ended 30 June 2023 (continued)

		2023	2022
			(restated)
		£'000	£'000
Cash flows from investing activities			
Purchase of subsidiary undertakings (net of cash acquired)		-	(52,161)
Sale of subsidiary undertakings (net of cash disposed)		134,732	119,068
Sale of intangible assets	9	2	-
Purchase of intangible assets	9	-	(4,078)
Purchase of tangible fixed assets		(216,962)	(177,289)
Interest received	6	427	86
Dividends paid		(560,318)	(767,904)
Net cash used in investing activities		(642,119)	(882,278)
Cash flows from financing activities			
Proceeds from financing		253,314	201,719
Repayments of financing		(29,772)	(43,813)
Interest paid	7	(41,664)	(30,536)
Proceeds from share issue	19	249,815	603,837
Net cash generated from financing activities		431,693	731,207
Net increase/(decrease) in cash and cash equivalents		(55,641)	38,962
Cash and cash equivalents at the beginning of the year		151,830	111,644
Exchange gain on cash and cash equivalents		1,342	1,224
Cash and cash equivalents at the end of the year		97,531	151,830

Cedar Energy and Infrastructure Limited

Statement of accounting policies

Company information

The Company is a private company limited by shares and is incorporated and domiciled in England in the United Kingdom. The registered number of the company is 12203483 and the address of the registered office is at 33 Holborn, England, EC1N 2HT.

Statement of compliance

The Group and individual financial statements of Cedar Energy and Infrastructure 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 Cedar Energy and Infrastructure Limited as listed in note 12 of the annual financial statements. The majority of these subsidiaries, referenced in note 12, have taken the exemption from an audit for the year ended 30 June 2023 permitted by section 479A of Companies Act 2006. In order to allow these subsidiaries to take the audit exemption, the ultimate parent company Fern Trading Limited has given a statutory guarantee, in line with section 479C of Companies Act 2006, of all the outstanding net liabilities as at 30 June 2023, of the subsidiaries listed in note 12 taking the exemption.

Going concern

The Group's and the Company's business activities, together with the factors likely to affect its future development, performance and position are set out the Strategic Report. The financial position of the Group, its cashflows, liquidity position and borrowing facilities are described in the financial review. The principles risks of the Group are set out on page 3.

The Directors perform an annual going concern review at Fern Trading Limited ('Fern Group') level that considers the Fern 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. Fern Trading Limited provides a letter of support for Cedar Energy and Infrastructure Limited and its subsidiaries.

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 Fern Group to continue as a going concern. No significant issues have been noted and as a consequence, the Directors believe that the Fern Group is well placed to manage its business risks successfully despite the current uncertain economic outlook.

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

- A reverse stress test was performed on the base case forecast to ascertain what scenarios would result in risks to the Fern Group's liquidity position. The test showed even in an unlikely scenario of a significant reduction of revenue of 56%, the Fern 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 Fern Group.

Cedar Energy and Infrastructure Limited

Statement of accounting policies (continued)

- The Fern Group has a number of financing facilities that contain covenants requiring the Group to maintain specified financial ratios and comply with certain other financial covenants. These financial covenants are tested bi-annually, and, at the dates of this report, the Fern Group is in compliance with all its financial covenants. Stress tests on reasonably plausible scenarios such as a significant reduction in EBITDA of 75% over time have been used to assess the covenant requirements at least the next 12 months and all covenants have been forecast to be met.
- At 30 June 2023, the Fern Group had available cash of £98m and access to facilities of £300m. Debt of £63m is due to mature in less than one year, with the remainder of £941m payable in more than one year. The Fern Group's facilities, repayment dates and undrawn amounts are set out in Note 17 Loans and Borrowings.
- Key accounting judgement and estimates have been made with consideration given to the current economic outlook. Key estimates including stock provisions, decommissioning, impairment of goodwill and investment values and have been set out on pages 28-29.

Based on the above assessment of current economic conditions and the impact on the Fern Group's financial position, liquidity and financial covenants, the Directors have concluded that the Fern Group and Cedar and its subsidiaries have adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Basis of consolidation

The consolidated financial statements include the results of Cedar Energy and Infrastructure 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 to obtain benefits from their activities, are consolidated as subsidiary undertakings. Where a subsidiary has different accounting policies to the Group, adjustments are made to those subsidiary financial statements to apply the Group's accounting policies when preparing the consolidated financial statements.

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

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

Exemptions for qualifying entities under FRS 102

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

The Company has taken advantage of the following exemptions:

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

Cedar Energy and Infrastructure Limited

Statement of accounting policies (continued)

Foreign currency

i. Functional and presentation currency

The Group financial statements are presented in pound sterling and rounded to thousands. The Company's functional and presentation currency is pound sterling.

ii. Transactions and balances

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

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the profit and loss account within 'finance (expense)/ income'. All other foreign exchange gains and losses are presented in the profit and loss account within 'administrative expenses'.

iii. Translation

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

Turnover

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

Employee benefits

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

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

ii. Defined contribution pension plan

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

Cedar Energy and Infrastructure Limited

Statement of accounting policies (continued)

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 based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

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

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

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

Business combinations and goodwill

Business combinations are accounted for by applying the purchase method.

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

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

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

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

Goodwill is amortised over its expected useful life which is determined based on the expected 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 assessed for impairment annually or as and when there are indicators of impairment and any impairment charged is recognised in the profit and loss.

Cedar Energy and Infrastructure Limited

Statement of accounting policies (continued)

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 under construction are not depreciated. The estimated useful lives are as follows:

- | | |
|--|----------------|
| • Land and buildings | 50 years |
| • Power stations | 20 to 25 years |
| • Plant and machinery | 4 to 20 years |
| • Solar farm assets and synchronous condensers | 33 years |

Assets under 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 to 30 years |
|----------------------|----------------|

Amortisation expenses for the year and last year are included in administrative expenses.

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

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

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

Leases

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

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

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

Cedar Energy and Infrastructure Limited

Statement of accounting policies (continued)

Investments

The Company holds investments in subsidiaries 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. Impairment charges and any subsequent reversal is recognised in the profit and loss account.

Cash

Cash includes cash in hand and deposits repayable on demand.

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 (meat and bonemeal and litter) are valued on an average cost basis over 1 to 2 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 and Fibrophos are valued at the lower of cost and net realisable value to the Group.

Accrued income

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.

Cedar Energy and Infrastructure Limited

Statement of accounting policies (continued)

Financial instruments (continued)

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 those investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

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

Financial liabilities

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

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

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

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

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

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.

Cedar Energy and Infrastructure Limited

Statement of accounting policies (continued)

Provisions for liabilities

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.

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.

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) Decommissioning provisions (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 £2.2m increase/decrease in the provision. See note 18 for the provision recognised at 30 June 2023. Management utilise external expertise to provide an estimated cost to dismantle and have used a discount rate of 4.5% to reflect the time in value of money and the risks specific to the obligation.

UK Solar (estimate):

Management note that decommissioning provisions is a critical estimate and have therefore performed sensitivity analysis. The results of the sensitivity analysis conclude that a change of +/- one per cent in the discount rate would have resulted in £3.0m increase/decrease in the provision. See note 18 for the provision recognised at 30 June 2023. Management utilise external expertise to provide an estimated cost to dismantle and have used a discount rate of 4.2% to reflect the time in value of money and the risks specific to the obligation.

French and UK 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.

Cedar Energy and Infrastructure Limited

Statement of accounting policies (continued)

Key accounting judgements and estimates (continued)

(ii) 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, management believes there is sufficient headroom to support the carrying value of goodwill and investments in subsidiary entities.

(iii) Purchase price agreement (Australian wind) (judgement):

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

(iv) Cash flow hedges (judgement):

Cash flow hedges are considered for ineffectiveness by comparing the cumulative change in the fair value of the hedged instrument to the cumulative change in the fair value of hedged item.

(v) Business combinations (estimate):

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. More details are included on page 24.

Cedar Energy and Infrastructure Limited

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

1 Turnover

	2023	2022
Analysis of income by category	£'000	£'000
Energy operations – solar, reserve power and wind	393,555	366,370
Energy operations – biomass and landfill*	212,158	223,526
	605,713	589,896

*Included in biomass and landfill income is £9,555,795 (2022: £8,132,000) relating to the sale of fertiliser.

	2023	2022
Analysis of income by geography	£'000	£'000
United Kingdom	475,430	482,009
Europe	126,399	84,400
Rest of world	3,884	23,487
	605,713	589,896

2 Other income

	2023	2022
Other income	£'000	£'000
Liquidated damages and insurance proceeds	3,391	3,137

Cedar Energy and Infrastructure Limited

Notes to the financial statements for the year ended 30 June 2023 (continued)

3 Operating profit/(loss)

		2023	2022
		£'000	£'000
Operating profit/(loss) is stated after charging:	Note		
Amortisation of intangible fixed assets	9	35,030	34,859
Impairment of intangible fixed assets	9	-	7,913
Depreciation of tangible fixed assets – owned by the Group	10	82,943	91,601
Stock recognised as an expense	13	68,573	63,863
The audit of the Group's consolidated financial statements		22	20
The audit of the Company's subsidiaries		1,269	711
The preparation of the financial statements for the Company's subsidiaries		429	352
Tax compliance services		216	276
Loss on foreign exchange currencies		677	8,045
Operating lease rentals		10,784	11,208

4 Staff costs

	2023	2022
Group	£'000	£'000
Wages and salaries	15,126	13,043
Social security costs	1,757	1,548
Other pension contributions	690	587
	17,573	15,178

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.

Cedar Energy and Infrastructure Limited

Notes to the financial statements for the year ended 30 June 2023 (continued)

4 Staff costs (continued)

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

	2023	2022
	Number	Number
Production	188	193
Administration	104	68
Directors	3	3
	295	264

The Company had no employees during 2023 (2022: none).

5 Directors' remuneration

The Company had no employees during the year. The average monthly number of Directors during the year was as follows:

	2023	2022
Group	Number	Number
Directors	3	3

The Directors received no emoluments in their capacity as Directors of the Group.

6 Interest receivable and similar income

	2023	2022
	£'000	£'000
Bank interest received	427	86

Cedar Energy and Infrastructure Limited

Notes to the financial statements for the year ended 30 June 2023 (continued)

7 Interest payable and similar expenses

	2023 £'000	2022 (restated) £'000
Interest on bank borrowings	38,721	29,174
Amortisation of bank loan costs	2,943	2,597
(Profit)/loss on derivative financial instruments	-	(9,520)
	41,664	22,251

8 Tax

(a) Tax expense included in statement of comprehensive income

	2023 £'000	2022 (restated) £'000
Current tax:		
UK Corporation tax credit/(charge) on profit/(loss) for the year	24,226	16,700
Adjustment in respect of previous periods	2,783	3,917
Foreign tax adjustment	2,089	5,641
Total current tax charge	29,098	26,258
Deferred tax:		
Origination and reversal of timing differences	(6,632)	(198)
Effect of change in tax rates	(709)	3,895
Adjustments in respect of prior period	(84)	(4,129)
Total deferred tax charge	(7,425)	(432)
Total tax charge	21,673	25,826

Cedar Energy and Infrastructure Limited

Notes to the financial statements for the year ended 30 June 2023 (continued)

8 Tax (continued)

(b) Reconciliation of tax expense/(credit)

	2023	2022 (restated)
	£'000	£'000
Loss before taxation	76,983	139,318
Profit before taxation multiplied by standard rate of corporation tax in the UK of 20.5% (2022: 19%)	15,782	26,470
Effects of:		
Expenses not deductible for tax purposes	5,620	3,222
Deferred tax not recognised	(3,771)	(2,372)
Non-taxable income	(657)	(4,640)
Effects of overseas tax rates	2,525	554
Super deduction	(118)	-
Adjustment in respect of prior period	2,687	(1,786)
Effect of changes in tax rates	(616)	3,669
Other	221	709
Tax charge for the year (note 8)	21,673	25,826

Details of the Group's deferred tax assets and liabilities are given in note 18 to the financial statements.

(a) 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% (2022: 25%) which represents the future corporation tax rate that was enacted at the balance sheet date.

Note 27 details the prior period adjustments.

Cedar Energy and Infrastructure Limited

Notes to the financial statements for the year ended 30 June 2023 (continued)

9 Intangible assets

	Goodwill	Intangibles	Total
Group	£'000	£'000	£'000
Cost			
At 1 July 2022	680,160	14,292	694,452
Additions	2,878	-	2,878
Disposals	-	(10,130)	(11,074)
Gain on translation	-	-	-
At 30 June 2023	683,038	4,162	687,200
Accumulated amortisation			
At 1 July 2022	197,546	1,556	199,102
Disposals	-	(1,369)	(1,369)
Charge for the year	34,877	153	35,030
Impairment	-	-	-
Gain on translation	-	-	-
At 30 June 2023	232,423	340	232,763
Net book value			
At 30 June 2023	450,615	3,822	454,437
At 30 June 2022	482,614	12,737	495,351

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

On 11th July 2022 Fern Trading Development Limited, a subsidiary of the Group sold the entire share capital of Darlington Point for consideration of £242m with a loss on disposal of £1m being recognised in the profit and loss account. Development rights relating to this sale were £10.1m with accumulated amortisation of £1.4m.

Prior year profit on disposal of subsidiaries totalled £28m.

No impairment has been recognised on goodwill (2022: £7.9m).

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

Cedar Energy and Infrastructure Limited

Notes to the financial statements for the year ended 30 June 2023 (continued)

10 Tangible assets

	Land and buildings £'000	Power stations £'000	Plant and machinery £'000	Assets under construction £'000	Total £'000
Cost					
At 1 July 2022	10,688	319,072	1,668,799	209,036	2,207,595
Additions	57	1,782	43,304	158,313	203,456
FX movement	-	-	(3,294)	-	(3,294)
Transfers	-	133	5,337	(5,470)	-
Disposals	-	-	(242,392)	-	(242,392)
At 30 June 2023	10,745	320,987	1,471,754	361,879	2,165,365
Accumulated depreciation					
At 1 July 2021	484	107,189	475,262	-	582,935
Charge for the year	183	15,490	67,270	-	82,943
Disposals	-	-	(15,950)	-	(15,950)
FX movement	-	-	(1,325)	-	(1,325)
At 30 June 2023	667	122,679	525,257	-	648,603
Net book value					
At 30 June 2023	10,078	198,308	946,497	361,879	1,516,762
At 30 June 2022	10,204	211,883	1,193,537	209,036	1,624,660

There were no tangible fixed assets held by the Company (2022: none).

Cedar Energy and Infrastructure Limited

Notes to the financial statements for the year ended 30 June 2023 (continued)

11 Investments

Company	Investments in subsidiary undertakings £'000
Cost	
At 1 July 2022	1,853,028
Additions	97,888
At 30 June 2023	1,950,916
Accumulated impairment	
At 1 July 2022	186,529
Impairment	189,651
At 30 June 2023	376,180
Net book value at 30 June 2023	1,574,736
Net book value at 30 June 2022	1,666,499

The Directors believe that the carrying value of the investments is supported by their underlying net assets. As at 30th June 2023, a detailed review was performed across the Group to assess the recoverable amount of each subsidiary against the valuation. It was determined that across the Group, there were net impairments of £189m.

Cedar Energy and Infrastructure Limited

Notes to the financial statements for the year ended 30 June 2023 (continued)

12 Subsidiary undertakings

The following were subsidiary undertakings of the Company at the year-end:

Name	Country of incorporation	Class of shares	Holding	Principle activity
Abbots Ripton Solar Energy Holding Limited ^a	UK	Ordinary	100%	Holding company
Adalinda Solar SPV 1 Limited ^a	UK	Ordinary	100%	Energy generation
Agrisol-2 S.a.r.l. ^b	France	Ordinary	100%	Energy generation
Auchencarroch Energy Limited ^c	UK	Ordinary	100%	Energy generation
Auquhirie Land Company Limited ^d	UK	Ordinary	100%	Energy generation
Avenue Solar Farm Limited ^a	UK	Ordinary	100%	Energy generation
Banbury Power Limited ^a	UK	Ordinary	100%	Energy generation
Batisolaire 5 S.a.r.l. ^b	France	Ordinary	100%	Energy generation
Batisolaire 7 S.a.r.l. ^b	France	Ordinary	100%	Holding company
Beetley Energy Limited ^a	UK	Ordinary	100%	Energy generation
Beighton Energy Limited ^a	UK	Ordinary	100%	Dormant company
Beinneun Wind Farm Ltd ^a	UK	Ordinary	100%	Energy generation
Bellhouse Energy Limited ^a	UK	Ordinary	100%	Energy generation
Birch Estate Solar Limited ^a	UK	Ordinary	100%	Energy generation
Blaby Solar Farm Limited ^a	UK	Ordinary	100%	Energy generation
BNRG IOW LIMITED ^a	UK	Ordinary	100%	Energy generation
Bolam Energy Limited ^a	UK	Ordinary	100%	Energy generation
Boomerang Energy Limited ^a	UK	Ordinary	100%	Holding company
Boreas Energy Limited ^a	UK	Ordinary	100%	Holding company
Bratton Fleming Limited ^a	UK	Ordinary	100%	Energy generation
Breck Solar Limited ^a	UK	Ordinary	100%	Energy generation
Bryn Yr Odyn Solar Developments Holdings Limited ^a	UK	Ordinary	100%	Holding company
Bryn Yr Odyn Solar Developments Limited ^a	UK	Ordinary	100%	Energy generation
Bury Power Limited ^a	UK	Ordinary	100%	Energy generation
Cadoxton Reserve Power Limited ^a	UK	Ordinary	100%	Energy generation
Caicias Energy Limited ^a	UK	Ordinary	100%	Holding company
Cark Limited ^c	Ireland	Ordinary	100%	Energy generation
Caswell Solar Farm Limited ^a	UK	Ordinary	100%	Energy generation
Cathkin Energy Limited ^c	UK	Ordinary	100%	Energy generation

Cedar Energy and Infrastructure Limited

Notes to the financial statements for the year ended 30 June 2023 (continued)

12 Subsidiary undertakings (continued)

Name	Country of incorporation	Class of shares	Holding	Principle activity
Causilgey Limited ^a	UK	Ordinary	100%	Energy generation
C.E.P.E. Berceronne S.a.r.l. ^f	France	Ordinary	100%	Energy generation
Centrale Eoilienne de Production d' Energie de Grandbois S.a.r.l. ^f	France	Ordinary	100%	Energy generation
CEPE de la Salesse S.a.r.l. ^f	France	Ordinary	100%	Energy generation
C.E.P.E. de Lacombe (Centrale Eoilienne de Production d' Energie de Lacombe) S.a.r.l. ^f	France	Ordinary	100%	Energy generation
Centrale Eoilienne de Production d' Energie de Marsanne S.a.r.l. ^f	France	Ordinary	100%	Energy generation
C.E.P.E. Haut du Saule Sarl Centrale Eoilienne de Production d' Energie de Haut du Saule S.a.r.l. ^f	France	Ordinary	100%	Energy generation
CEPE de La Roche Quatre Rivières S.a.r.l. ^f	France	Ordinary	100%	Energy generation
Centrale Eoilienne de Production d' Energie du pays de St Seine S.a.r.l. ^f	France	Ordinary	100%	Energy generation
Cers SAS ^f	France	Ordinary	100%	Holding company
Chelson Meadow Energy Limited ^a	UK	Ordinary	100%	Energy generation
Chisbon Solar Farm Holdings Limited ^a	UK	Ordinary	100%	Holding company
Chittering Solar Two Limited ^a	UK	Ordinary	100%	Energy generation
Cilgwyn Energy Limited ^a	UK	Ordinary	100%	Dormant company
Clann Farm Limited ^a	UK	Ordinary	100%	Energy generation
Claramond Solar SPV 1 Limited ^a	UK	Ordinary	100%	Energy generation
CLP Developments Limited ^a	UK	Ordinary	100%	Dormant company Provision of O&M services
CLP Envirogas Limited ^a	UK	Ordinary	100%	
CLP Services Limited ^a	UK	Ordinary	100%	Dormant company
CLPE 1991 Limited ^a	UK	Ordinary	100%	Dormant company
CLPE 1999 Limited ^a	UK	Ordinary	100%	Holding company
CLPE Holdings Limited ^a	UK	Ordinary	100%	Holding company
CLPE Projects 1 Limited ^a	UK	Ordinary	100%	Holding company
CLPE Projects 2 Limited ^a	UK	Ordinary	100%	Holding company
CLPE Projects 3 Limited ^a	UK	Ordinary	100%	Holding company
CLPE ROC - 1 Limited ^a	UK	Ordinary	100%	Energy generation
CLPE ROC - 2 Limited ^a	UK	Ordinary	100%	Energy generation
CLPE ROC - 3 Limited ^a	UK	Ordinary	100%	Energy generation
CLPE ROC - 3A Limited ^a	UK	Ordinary	100%	Energy generation

Cedar Energy and Infrastructure Limited

Notes to the financial statements for the year ended 30 June 2023 (continued)

12 Subsidiary undertakings (continued)

Name	Country of incorporation	Class of shares	Holding	Principle activity
CLPE ROC - 4 Limited ^a	UK	Ordinary	100%	Energy generation
CLPE ROC - 4A Limited ^a	UK	Ordinary	100%	Energy generation
Clyne Power Limited ^a	UK	Ordinary	100%	Energy generation
Colsterworth Energy Limited ^a	UK	Ordinary	100%	Energy generation
Connon Bridge Energy Limited ^a	UK	Ordinary	100%	Energy generation
Cotesbach Energy Limited ^a	UK	Ordinary	100%	Energy generation
Cour Wind Farm (Scotland) Limited ^d	UK	Ordinary	100%	Energy generation
Crapnell Farm Limited ^a	UK	Ordinary	100%	Energy generation
Craymarsh Limited ^a	UK	Ordinary	100%	Energy generation
Cressing Solar Farm Limited ^a	UK	Ordinary	100%	Energy generation
Culvery Power Limited ^a	UK	Ordinary	100%	Energy generation
Cynon Power Limited ^a	UK	Ordinary	100%	Energy generation
Dafen Reserve Power Limited ^a	UK	Ordinary	100%	Energy generation
Dairy House Solar Limited ^a	UK	Ordinary	100%	Energy generation
Deepdale Farm Solar Ltd ^a	UK	Ordinary	100%	Energy generation
Doveryard Limited ^a	UK	Ordinary	100%	Energy generation
Drapers Farm Limited ^a	UK	Ordinary	100%	Energy generation
Dyffryn Brodyn Limited ^a	UK	Ordinary	100%	Energy generation
Eakring Limited ^a	UK	Ordinary	100%	Holding company
Elecsol Camargue S.a.r.l. ^b	France	Ordinary	100%	Energy generation
Elecsol France 11 S.a.r.l. ^b	France	Ordinary	90%	Energy generation
Elecsol France 15 S.a.r.l. ^b	France	Ordinary	90%	Energy generation
Elecsol France 19 S.a.r.l. ^b	France	Ordinary	100%	Energy generation
Elecsol France 22 S.a.r.l. ^b	France	Ordinary	100%	Energy generation
Elecsol France 24 S.a.r.l. ^b	France	Ordinary	100%	Energy generation
Elecsol France 25 S.a.r.l. ^b	France	Ordinary	100%	Energy generation
Elecsol France 28 S.a.r.l. ^b	France	Ordinary	100%	Energy generation
Elecsol France 41 S.a.r.l. ^b	France	Ordinary	100%	Energy generation
Elecsol France 7 S.a.r.l. ^b	France	Ordinary	100%	Energy generation
Elecsol Haut Var S.a.r.l. ^b	France	Ordinary	100%	Energy generation
Elios Energy 2 France SAS ^b	France	Ordinary	100%	Holding company
Elios Energy 2 Limited ^a	UK	Ordinary	100%	Holding company
Elios Energy 3 France SAS ^f	France	Ordinary	100%	Holding company

Cedar Energy and Infrastructure Limited

Notes to the financial statements for the year ended 30 June 2023 (continued)

12 Subsidiary undertakings (continued)

Name	Country of incorporation	Class of shares	Holding	Principle activity
Elios Energy Holdings 2 Limited ^a	UK	Ordinary	100%	Holding company
Elios Energy Holdings 3 Limited ^a	UK	Ordinary	100%	Holding company
Elios Energy Holdings Limited ^a	UK	Ordinary	100%	Holding company
Elios Renewable Energy Limited ^a	UK	Ordinary	100%	Holding company
Ellicombe Limited ^a	UK	Ordinary	100%	Energy generation
Energy Power Resources Limited ^a	UK	Ordinary	100%	Energy project development and management services
EPR Ely Limited ^a	UK	Ordinary	100%	Energy generation
EPR Eye Limited ^a	UK	Ordinary	100%	Energy generation
EPR Glanford Limited ^a	UK	Ordinary	100%	Energy generation
EPR Renewable Energy Limited ^a	UK	Ordinary	100%	Holding company
EPR Scotland Limited ^b	UK	Ordinary	100%	Energy generation
EPR Thetford Limited ^a	UK	Ordinary	100%	Energy generation
Eucalyptus Energy Holdings Limited ^a	UK	Ordinary	100%	Holding company
Eucalyptus Energy Limited ^a	UK	Ordinary	100%	Holding company
Feltwell Energy Limited ^a	UK	Ordinary	100%	Energy generation
Fern Energy Cour Holdings Limited ^a	UK	Ordinary	100%	Holding company
Fern Energy Holdings Limited ^a	UK	Ordinary	100%	Holding company
Fern Energy Limited ^a	UK	Ordinary	100%	Holding company
Fern Energy Wind Holdings Limited ^a	UK	Ordinary	100%	Holding company
Fern Renewable Energy Limited ^a	UK	Ordinary	100%	Holding company
Fern Rooftop Solar (A) Limited ^a	UK	Ordinary	100%	Energy generation
Fern Rooftop Solar (BBD) Limited ^a	UK	Ordinary	100%	Energy generation
Fern Rooftop Solar (Zestec) Limited ^a	UK	Ordinary	100%	Energy generation
Fern Trading Development Limited ^a	UK	Ordinary	100%	Holding company
Fern UK Power Developments Limited ^a	UK	Ordinary	100%	Holding company
Fibrophos Limited ^a	UK	Ordinary	100%	Supply of fertiliser
Four Burrows Limited ^a	UK	Ordinary	100%	Energy generation
Fraisthorpe Wind Farm Ltd ^a	UK	Ordinary	100%	Energy generation
Garlaff Energy Limited ^c	UK	Ordinary	100%	Dormant company
Glenchamber Wind Energy Limited ⁱ	UK	Ordinary	100%	Energy generation
Grange Wind Farm Limited ^a	UK	Ordinary	100%	Energy generation
Guardbridge sp. z o.o. ⁱ	Poland	Ordinary	100%	Energy generation
Harbourne Power Limited ^a	UK	Ordinary	100%	Energy generation
Haymaker (Mount Mill) Ltd ^a	UK	Ordinary	100%	Energy generation

Cedar Energy and Infrastructure Limited

Notes to the financial statements for the year ended 30 June 2023 (continued)

12 Subsidiary undertakings (continued)

Name	Country of incorporation	Class of shares	Holding	Principle activity
Haymaker (Natewood) Holdings Limited ^a	UK	Ordinary	100%	Holding company
Haymaker (Natewood) Ltd ^a	UK	Ordinary	100%	Energy generation
Haymaker (Oaklands) Holdings Limited ^a	UK	Ordinary	100%	Holding company
Haymaker (Oaklands) Ltd ^a	UK	Ordinary	100%	Energy generation
Helm Power 2 Limited ^a	UK	Ordinary	100%	Holding company
Helm Power Limited ^a	UK	Ordinary	100%	Holding company
Higher Knapp Farm Limited ^a	UK	Ordinary	100%	Energy generation
Hill End Farm Limited ^a	UK	Ordinary	100%	Energy generation
Hollamoor Limited ^a	UK	Ordinary	100%	Energy generation
Hull Reserve Power Limited ^a	UK	Ordinary	100%	Energy generation
Hursit SPV 1 Limited ^a	UK	Ordinary	100%	Energy generation
Immingham Power Limited ^a	UK	Ordinary	100%	Energy generation
Irwell Power Limited ^a	UK	Ordinary	100%	Energy generation
Jameson Road Energy Limited ^a	UK	Ordinary	100%	Energy generation
Kiln Power Limited ^a	UK	Ordinary	100%	Energy generation
Larigan Power Limited ^a	UK	Ordinary	100%	Energy generation
Lenham Solar Limited ^a	UK	Ordinary	100%	Energy generation
Little T Solar Limited ^a	UK	Ordinary	100%	Energy generation
Littleton Solar Farm Limited ^a	UK	Ordinary	100%	Energy generation
Loddon Power Limited ^a	UK	Ordinary	100%	Energy generation
Lovedean Limited ^a	UK	Ordinary	100%	Energy generation
Luminance Solar Limited ^a	UK	Ordinary	100%	Energy generation
Manston Thorne Limited ^a	UK	Ordinary	100%	Energy generation
March Energy Limited ^a	UK	Ordinary	100%	Energy generation
Marden Power Limited ^a	UK	Ordinary	100%	Energy generation
Marley Thatch Solar Ltd ^a	UK	Ordinary	100%	Energy generation
Meadows Farm Limited ^a	UK	Ordinary	100%	Energy generation
Melbourn Solar Limited ^a	UK	Ordinary	100%	Energy generation
Melton LG Energy Limited ^a	UK	Ordinary	100%	Holding company
Melton LG Holding Limited ^a	UK	Ordinary	100%	Holding company
Melton LG ROC Limited ^a	UK	Ordinary	100%	Asset leasing company
Melton Renewable Energy (Holdings) Limited ^a	UK	Ordinary	100%	Holding company
Melton Renewable Energy Newco Limited ^a	UK	Ordinary	100%	Holding company

Cedar Energy and Infrastructure Limited

Notes to the financial statements for the year ended 30 June 2023 (continued)

12 Subsidiary undertakings (continued)

Name	Country of incorporation	Class of shares	Holding	Principle activity
Melton Renewable Energy UK Limited ^a	UK	Ordinary	100%	Holding company
Mill Hill Farm Solar Limited ^a	UK	Ordinary	100%	Energy generation
Mingay Farm Holding Limited ^a	UK	Ordinary	100%	Holding company
MSP Decoy Ltd ^a	UK	Ordinary	100%	Energy generation
MSP Strete Ltd ^a	UK	Ordinary	100%	Energy generation
MSP Tregassow Limited ^a	UK	Ordinary	100%	Energy generation
MTS Hatchlands Solar Ltd ^a	UK	Ordinary	100%	Energy generation
Nevern Power Limited ^a	UK	Ordinary	100%	Energy generation
New Row Farm Limited ^a	UK	Ordinary	100%	Energy generation
Newlands Solar Limited ^a	UK	Ordinary	100%	Energy generation
Ninnis Farm Limited ^a	UK	Ordinary	100%	Energy generation
North Perrott Fruit Farm Limited ^a	UK	Ordinary	100%	Energy generation
Northwich Power Limited ^a	UK	Ordinary	100%	Energy generation
Notos Energy Limited ^a	UK	Ordinary	100%	Holding company
Ogmore Power Limited ^a	UK	Ordinary	100%	Energy generation
Oldhall Energy Recovery Holdings Limited ^a	UK	Ordinary	100%	Holding company
Orta Wedgehill Solar Holdings Limited ^a	UK	Ordinary	100%	Holding company
Orta Wedgehill Solar Limited ^a	UK	Ordinary	100%	Energy generation
Palfreys Barton Limited ^a	UK	Ordinary	100%	Energy generation
Parciau Holdings Limited ^a	UK	Ordinary	100%	Holding company
Parciau Limited ^a	UK	Ordinary	100%	Energy generation
Pearmat Solar 2 Ltd ^a	UK	Ordinary	100%	Energy generation
Pitchford (Condoover Airfield & Stockbatch) Limited ^a	UK	Ordinary	100%	Energy generation
Pitts Farm Limited ^a	UK	Ordinary	100%	Energy generation
Porthos Solar Limited ^a	UK	Ordinary	100%	Holding company
Pyms Lane Solar Ltd ^a	UK	Ordinary	100%	Energy generation
Queens Park Road Energy Limited ^a	UK	Ordinary	100%	Energy generation
Reaches Farm Limited ^a	UK	Ordinary	100%	Energy generation
Redlake Power Limited ^a	UK	Ordinary	100%	Energy generation
Ryston Estate Limited ^a	UK	Ordinary	100%	Energy generation
Sammat S.a.r.l. ^b	France	Ordinary	100%	Energy generation

Cedar Energy and Infrastructure Limited

Notes to the financial statements for the year ended 30 June 2023 (continued)

12 Subsidiary undertakings (continued)

Name	Country of incorporation	Class of shares	Holding	Principle activity
Selby Power Limited ^a	UK	Ordinary	100%	Energy generation
Singrug Holdings Limited ^a	UK	Ordinary	100%	Holding company
Singrug Limited ^a	UK	Ordinary	100%	Energy generation
Six Hills Lane (Ragdale) Limited ^a	UK	Ordinary	100%	Energy generation
Skelbrooke Energy Limited ^a	UK	Ordinary	100%	Energy generation
Slaughtergate Limited ^a	UK	Ordinary	100%	Energy generation Supply of biomass fuel
Snetterton Renewable Power Fuels Limited ^a	UK	Ordinary	100%	Holding company
Snetterton Renewable Power Holdings Limited ^a	UK	Ordinary	100%	Holding company
Snetterton Renewable Power Limited ^a	UK	Ordinary	100%	Energy generation
Solarfi LP08 S.a.r.l. ^b	France	Ordinary	100%	Energy generation
Solarfi SP01 S.a.r.l. ^b	France	Ordinary	100%	Energy generation
Solarfi SP02 S.a.r.l. ^b	France	Ordinary	100%	Energy generation
Solarfi SP04 S.a.r.l. ^b	France	Ordinary	100%	Energy generation
Solarfi SP05 S.a.r.l. ^b	France	Ordinary	100%	Energy generation
Solarfi SP08 S.a.r.l. ^b	France	Ordinary	100%	Energy generation
Solarfi SP10 S.a.r.l. ^b	France	Ordinary	100%	Energy generation
Southcombe Farm Limited ^a	UK	Ordinary	100%	Energy generation
St Asaph Power Limited ^a	UK	Ordinary	100%	Energy generation
Steadfast Parkhouse Solar Limited ^a	UK	Ordinary	100%	Energy generation
Steadfast Rudge Solar Ltd ^a	UK	Ordinary	100%	Energy generation
Steadfast Shipton Belinger Solar Limited ^a	UK	Ordinary	100%	Energy generation
Stellar Power Limited ^a	UK	Ordinary	100%	Energy generation
Stoneyhill Energy Limited ^c	UK	Ordinary	100%	Dormant company
Sulis Energy Limited ^a	UK	Ordinary	100%	Holding company
Summerston Energy Limited ^c	UK	Ordinary	100%	Energy generation
TGC Solar 102 Limited ^a	UK	Ordinary	100%	Energy generation
TGC Solar 107 Limited ^a	UK	Ordinary	100%	Energy generation
TGC Solar 68 Limited ^a	UK	Ordinary	100%	Energy generation
TGC Solar 83 Limited ^a	UK	Ordinary	100%	Energy generation
The Fern Power Company Limited ^a	UK	Ordinary	100%	Holding company
The Hollies Solar Farm Limited ^a	UK	Ordinary	100%	Energy generation
Thoresby Estate (Budby) Limited ^a	UK	Ordinary	100%	Energy generation
Tillingham Power Limited ^a	UK	Ordinary	100%	Energy generation
Todhills Energy Limited ^a	UK	Ordinary	100%	Energy generation
Tredown Farm Limited ^a	UK	Ordinary	100%	Energy generation

Cedar Energy and Infrastructure Limited

Notes to the financial statements for the year ended 30 June 2023 (continued)

12 Subsidiary undertakings (continued)

Name	Country of incorporation	Class of shares	Holding	Principle activity
Turves Solar Limited ^a	UK	Ordinary	100%	Energy generation
UKSE 15 Solar Limited ^a	UK	Ordinary	100%	Energy generation
United Mines Energy Limited ^a	UK	Ordinary	100%	Energy generation
Victoria Solar Limited ^a	UK	Ordinary	100%	Energy generation
Viners Energy Limited ^a	UK	Ordinary	100%	Holding company
Voltafrance 1 S.a.r.l. ^b	France	Ordinary	100%	Energy generation
Voltafrance 13 S.a.r.l. ^b	France	Ordinary	100%	Energy generation
Voltafrance 5 S.a.r.l. ^b	France	Ordinary	100%	Energy generation
Voltafrance S.a.r.l. ^b	France	Ordinary	100%	Energy generation
Warrington Power Limited ^a	UK	Ordinary	100%	Energy generation
Waterloo Solar Park Holdings Limited ^a	UK	Ordinary	100%	Holding company
Waterloo Solar Park Limited ^a	UK	Ordinary	100%	Energy generation
Week Farm 2 Limited ^a	UK	Ordinary	100%	Energy generation
Westwood Power Limited ^a	UK	Ordinary	100%	Energy generation
Westwood Solar Limited ^a	UK	Ordinary	100%	Energy generation
Wetherden Energy Limited ^a	UK	Ordinary	100%	Energy generation
Wharf Power Limited ^a	UK	Ordinary	100%	Energy generation
Whiddon Farm Limited ^a	UK	Ordinary	100%	Energy generation
Whinney Hill Energy Limited ^a	UK	Ordinary	100%	Energy generation
Wincelle Solar Holdings Limited ^a	UK	Ordinary	100%	Holding company
Wolverhampton Power Ltd ^a	UK	Ordinary	100%	Energy generation
Wryde Croft Wind Farm Limited ^b	UK	Ordinary	100%	Energy generation
WSE Bradford Limited ^a	UK	Ordinary	100%	Energy generation
WSE Hullavington Holdings Limited ^a	UK	Ordinary	100%	Holding company
WSE Hullavington Limited ^a	UK	Ordinary	100%	Energy generation
WSE Park Wall Limited ^a	UK	Ordinary	100%	Energy generation
WSE Pyde Drove Limited ^a	UK	Ordinary	100%	Energy generation
Zestec Asset Management Limited ^a	UK	Ordinary	100%	Energy generation

Fern Energy Holdings Limited, The Fern Power Company Limited, Fern Trading Development Limited and Eucalyptus Energy Holdings Limited are held directly by the Company. All other subsidiaries are held indirectly.

Cedar Energy and Infrastructure Limited

Notes to the financial statements for the year ended 30 June 2023 (continued)

12 Subsidiary undertakings (continued)

The following subsidiaries were dissolved or sold during the year and up to date of signing:

DY Oldhall Energy Recovery Limited	13/09/2022
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

The following subsidiaries were dissolved or sold after year end:

Dulacca WF HoldCo Pty Ltd	24/10/2023
Dulacca Energy Project Co Pty Ltd	24/10/2023
Dulacca Energy Project FinCo Pty Ltd	24/10/2023
Dulacca Energy Project Holdco Pty Ltd	24/10/2023

The following subsidiary was acquired after year end:

GLAS 1 Limited	17/11/2023
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The registered address^a of the subsidiaries listed are:

^a 6th Floor, 33 Holborn, London, EC1N 2HT, England, United Kingdom

^b 22 rue Alphonse de Neuville 75017 Paris, France

^c Pinsent Masons LLP, Capital Square, 58 Morrison Street, Edinburgh, Scotland, EH3 8BP

^d 4th Floor Saltire Court, 20 Castle Terrace, Edinburgh, Scotland, EH1 2EN

^e 6th Floor, 2 Grand Canal Square, Dublin 2, D02 A342, Ireland

^f Zone Industrielle de Courtine, 115 Rue du Mourelet 84000 Avignon, France

^g 1 West Regent Street, Glasgow, G2 1AP, United Kingdom

^h Beaufort Court, Egg Farm Lane, Kings Langley, Hertfordshire, WD4 8LR

ⁱ ul. Grzybowska 2/29, 00-131, Warsaw, Poland

Cedar Energy and Infrastructure Limited

Notes to the financial statements for the year ended 30 June 2023 (continued)

13 Stocks

	2023	2022
Group	£'000	£'000
Ash stock	1,979	1,538
Fuel, spare parts and consumables	26,107	24,928
	28,086	26,466

The amount of stock recognised as an expense during the year was £68,573,000 (2022: £63,863,000).

Included in the fuel, spare parts and consumables stock value is a provision of £378,000 for unusable fuel stock (2022: £390,000).

There has been no impairment recognised during the year on stock (2022: none). No inventory has been pledged as security for liabilities (2022: none).

The Company had no stocks to disclose at 30 June 2023 (2022: £Nil).

14 Debtors

	2023	Group 2022 (restated)	2023	Company 2022
Amounts falling due within one year	£'000	£'000	£'000	£'000
Trade debtors	8,657	23,649	-	-
Other debtors	21,799	8,621	-	-
Prepayments and accrued income	132,920	139,624	3,215	1,050
Derivative financial instruments (note 22)	112,000	55,125	-	-
	275,376	227,019	3,215	1,050

Trade debtors are stated after provisions for impairment of £Nil (2022: £Nil). Accrued income is stated after provisions for impairment of £Nil (2022: £Nil).

Cedar Energy and Infrastructure Limited

Notes to the financial statements for the year ended 30 June 2023 (continued)

15 Creditors: amounts falling due within one year

	2023	Group 2022	2023	Company 2022
	£'000	£'000	£'000	£'000
Bank loans and overdrafts (note 17)	188,394	75,426	125,000	-
Other loans	8	507	-	-
Trade creditors	18,605	34,658	-	-
Amounts owed to parent undertaking	3,310	31,186	27	24
Other creditors	15,270	20,996	-	-
Deferred consideration	-	-	-	-
Derivative financial instruments (note 22)	-	-	-	-
Other taxation and social security	-	4,219	-	-
Accruals and deferred income	65,144	51,961	401	171
Corporation tax	38,014	21,174	-	-
	328,745	240,127	125,428	195

Amounts owed to group undertakings are unsecured, interest free and repayable on demand. Other loans were interest free and fully repaid during the year.

16 Creditors: amounts falling due after more than one year

	2023	Group 2022
Amounts falling due between one and five years	£'000	£'000
Bank loans and overdrafts (note 17)	700,520	383,071
Deferred consideration	381	381
	700,901	383,452

	2023	Group 2022
Amounts falling due after more than five years	£'000	£'000
Bank loans and overdrafts (note 17)	240,522	573,416
	240,522	573,416
Total creditors falling due after more than one year	941,423	956,868

The Company has no creditors falling due after more than one year to disclose (2022: none).

Cedar Energy and Infrastructure Limited

7 Notes to the financial statements for the year ended 30 June 2023 (continued)

17 Loans and other borrowings

	2023	Group 2022	2023	Company 2022
Bank loans	£'000	£'000	£'000	£'000
Due in one year	188,394	75,426	125,000	-
Due between one and five years	700,520	383,071	-	-
Due in more than five years	240,522	573,416	-	-
	1,129,436	1,031,913	125,000	-

The bank loans are held by those subsidiary companies listed below and secured against the assets held within each of their respective borrowing groups. The revolving credit facility of the Company was secured over the assets of the Group.

Company	Interest rate	2023 £'000	2022 £'000
Viners Energy Limited	6 month SONIA plus 1.7%	411,016	429,138
Cedar Energy and Infrastructure Limited	SONIA/EURIBOR plus 2%	125,000	-
Elios Energy 2 France SAS	Fixed rate: (1.70%) Floating rate: (EURIBOR 3m +1.20%)	26,609	30,946
Elios Energy 3 France SAS	6 month EURIBOR + 1.2%	55,553	56,079
Boomerang Energy Limited	6 month SONIA + 1.5%	281,938	284,348
Zestec Asset Management Limited	Fixed rate of 2.5%	39	44
Darlington Point Solar Farm Pty Limited	Swap rate of 4.59% + 1.9%	-	114,026
Dulacca WF Holdco PTY Ltd	BBSY + 1.7%	156,563	31,614
Melton Renewable Energy UK Limited	6 month SONIA plus 2.5%	72,718	85,718
		1,129,436	1,031,913

Cedar Energy and Infrastructure Limited

Notes to the financial statements for the year ended 30 June 2023 (continued)

18 Provisions for liabilities

	Decommissioning provision	Deferred tax	Total
Group	£'000	£'000	£'000
At 1 July 2022 (restated)	41,023	44,717	85,740
Impairments	-	-	-
Adjustment relating to change in accounting estimate	-	-	-
Decrease recognised in fixed assets/acquisitions	(4,612)	-	(4,612)
Increase/(Decrease) recognised in profit and loss	318	(7,341)	(7,023)
Increase recognised in OCI	-	21,363	21,363
Unwinding of discount rate	731	-	731
Adjustment in respect of prior periods	-	546	546
Foreign exchange	(20)	-	(20)
At 30 June 2023	37,440	59,285	96,725

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 more than 25 years.

The Company had no provisions at 30 June 2023 (2022: none)

19 Called up share capital

	2023	Group 2022	2023	Company 2022
Allotted, called-up and fully paid	£'000	£'000	£'000	£'000
1,367,386,266 (2022: 1,117,570,620)				
Ordinary shares of £0.01	13,674	11,176	13,674	11,176

During the year the Group and Company issued 249,815,646 (2022: 603,836,505) ordinary shares of £0.01 each with an aggregate nominal value of £2,498,156 (2022: £6,038,365). Total consideration of £249,815,646 (2022: £603,836,505) was paid for the shares, giving rise to a premium of £247,317,490 (2022: £597,798,140).

Cedar Energy and Infrastructure Limited

Notes to the financial statements for the year ended 30 June 2023 (continued)

19 Called up share capital (continued)

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

Merger reserve

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

Cashflow hedge reserve

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

20 Non-controlling interests

The movement in non-controlling interests was as follows:

	2023	2022
Group	£'000	£'000
At 1 July 2022	9,561	9,215
Disposal of minority interest holdings	(9,501)	-
Total comprehensive loss attributable to non-controlling interests	(60)	346
At 30 June 2023	-	9,561

The Company had no non-controlling interests to disclose at 30 June 2023.

21 Contingencies

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

Cedar Energy and Infrastructure Limited

Notes to the financial statements for the year ended 30 June 2023 (continued)

22 Financial instruments

The Group has the following financial instruments:

	Group		Company	
	2023	2022 (restated)	2023	2022
	£'000	£'000	£'000	£'000
Carrying amount of financial assets				
Debt instruments measured at amortised cost	30,456	32,270	-	-
Measured at fair value through other comprehensive income	112,000	54,409	-	-
Carrying amount of financial liabilities				
Measured at amortised cost	1,005,501	1,084,731	-	-
Measured at fair value through other comprehensive income	-	-	-	-

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. Note 27 details the prior period adjustments.

(a) Market risk

Currency risk

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

Transactional exposures

Transactional exposures arise from administrative and other expense in currencies other than the Group's presentational currency (Sterling). The Group enters forwards foreign exchange contracts and foreign exchange swaps to mitigate the exchange rate risk for certain foreign currency payables and receipts on a case by case basis. 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. At 30 June 2023 the fair value of the foreign currency contracts was an asset of £Nil (2022: £Nil).

Translational exposures

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

Cedar Energy and Infrastructure Limited

Notes to the financial statements for the year ended 30 June 2023 (continued)

22 Financial instruments (continued)

Interest rate risk

The Group has exposure to fluctuations in interest rates on its borrowings. Where the Group enters into borrowing arrangements with floating rate interest, a swap arrangement is entered into to fix a portion of the interest in order to mitigate against an increase in interest rates. The portion of interest to be fixed is assessed on a case by case basis. Management can elect whether to hedge account for these arrangements on an individual transaction basis and have elected to apply hedge accounting for interest rate swaps. The swaps are based on a principal amount of the loan facility and mature on the same date. On 30 June 2023 the outstanding interest rate swaps have a maturity in excess of five years and the fair value is an asset of £105.7m (2022: £55.1m restated).

(b) Credit risk

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

(c) Liquidity risk

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

Liquidity risk arises on bank loans in place across the Group and is managed through careful monitoring of covenants and sensible levels of debt. Borrowing is on a long-term basis, whereas revenue is received throughout the year. Cash flow risk is managed through ongoing cash flow forecasting to ensure receipts are sufficient to meet liabilities as they fall due.

23 Capital and other commitments

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

	2023	Group
	2022	
	£'000	£'000
Contracted for but not provided in these financial statements	104,277	346,898

Capital commitments at year end relate to construction payments contracted for but not provided in these financial statements.

The Group had no other off-balance sheet arrangements (2022: none)

The Company had no capital or other commitments as at 30 June 2023 (2022: none).

24 Reconciliation to Non-GAAP Financial Measures

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 the performance without the effects of financing and capital expenditures.

Cedar Energy and Infrastructure Limited

Notes to the financial statements for the year ended 30 June 2023 (continued)

24 Reconciliation to Non-GAAP Financial Measures (continued)

Group	Note	2023	2022
		£'000	(restated) £'000
Profit for the financial year		55,310	113,492
Add			
Amortisation of intangible assets	9	35,030	34,859
Impairment of intangible assets	9	-	7,913
Depreciation of tangible assets	10	82,943	91,601
Interest payable and similar expenses	7	41,664	22,252
Tax	8	21,673	25,826
Less			
(Loss)/Profit on disposal of subsidiaries		1,098	(29,532)
Interest receivable and similar income	6	427	86
EBITDA		238,145	266,497

Note 27 details the prior period adjustments.

25 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. Other than the transactions disclosed above, the Company's other related party transactions were with its wholly owned subsidiaries or members of a group headed by Fern Trading Limited. Cedar Energy and Infrastructure Limited is a wholly owned subsidiary within the Fern Trading Limited group hence disclosure of transactions to other members within this group are not required.

During the year, the Group disposed of a solar site to a company managed by Octopus Investments Limited, a related party.

26 Post Balance Sheet Events

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

27 Prior period adjustments

a) Derivative adjustment

We have conducted a review of prior years' accounting treatment of other comprehensive income, in relation to derivative recognition. We have identified an error relating to all financial years from 2017, relating to the amortisation of loss associated with a specific cash flow hedge. The loss was the result of a refinancing exercise undertaken in 2017, and the Group has received professional advice in relation to the accounting treatment.

Cedar Energy and Infrastructure Limited

Notes to the financial statements for the year ended 30 June 2023 (continued)

27 Prior period adjustments (continued)

a) Derivative adjustment (continued)

Upon review, it was discovered the amortisation of the loss was already reflected in the updated fair value of the cash flow hedges, and the amortisation loss had incorrectly been recognised twice, over the life of the cash flow hedge. This also has a consequence on the calculation of hedge ineffectiveness. The cumulative impact was a £15.5m, £12.6m after tax, reduction in historical interest cost, and an equal and opposite reduction in other comprehensive income.

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

	Year ended 30 June 2021 (as stated)	Adjustments	Year ended 30 June 2021 (restated)
Group	£'000	£'000	£'000
Cash Flow Hedge	14,979	4,504	19,483
Derivative Fair Value	6,326	1,209	7,535
Deferred Tax (Liability)/Asset	(32,003)	(1,575)	(33,578)
Retained earnings	(430,674)	(5,849)	(436,523)
Corporation Tax Receivable	3,684	(1,439)	2,245

	Year ended 30 June 2022 (as stated)	Accumulated adjustments	Year ended 30 June 2022 (restated)
Group	£'000	£'000	£'000
Cash Flow Hedge	(63,005)	11,088	(51,917)
Interest payable and similar expenses	30,536	(8,285)	22,251
Derivative Fair Value	54,409	716	55,125
Deferred Tax (Liability)/Asset	(49,255)	3,769	(45,486)
Retained Earnings	218,356	(12,560)	205,796
Corporation Tax Receivable/(Payable)	(18,161)	(3,013)	(21,174)
Corporation Tax Charge	24,252	1,574	25,826

28 Controlling party

The intermediate parent undertaking is Fern Trading Group Limited, a company incorporated in England, United Kingdom.

The ultimate parent undertaking and the smallest and largest group to consolidate these financial statements is Fern Trading Limited, a private company limited by shares incorporated in England, United Kingdom. The consolidated financial statements of Fern Trading Limited are available from its registered office at 6th Floor, 33 Holborn, London, England, EC1N 2HT.

Fern Trading Limited is the ultimate controlling party.