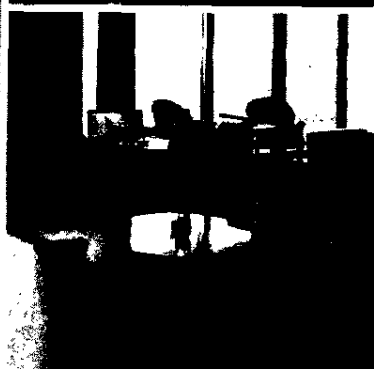
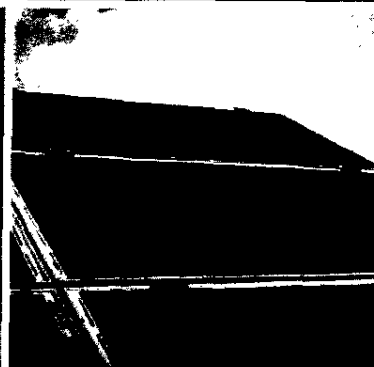


**Fern Annual report
and Accounts 2017**

Registered No 06447318



Because investing in a
sustainable future makes
economic sense.



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FERN
TRADING



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The Annual Report contains forward-looking statements.
For further information see inside back cover.





1 | OVERVIEW

Creating value for all stakeholders while making a difference

Revenue

£293m

2017	£293m
2016	£226m
2015	£129m

Net debt/(cash)*

£596m

2017	£596m
2016	£580m
2015	£(84)m

EBITDA

£95m

2017	£95m
2016	£47m
2015	£46m

Share price*

143p

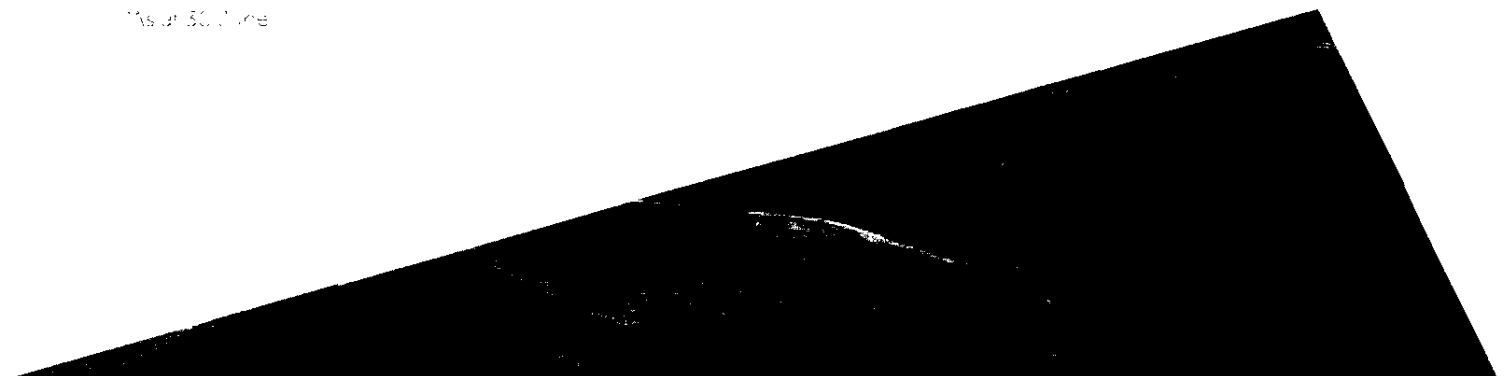
2017	143.0p
2016	135.5p
2015	130.5p

Net assets*

£1.42bn

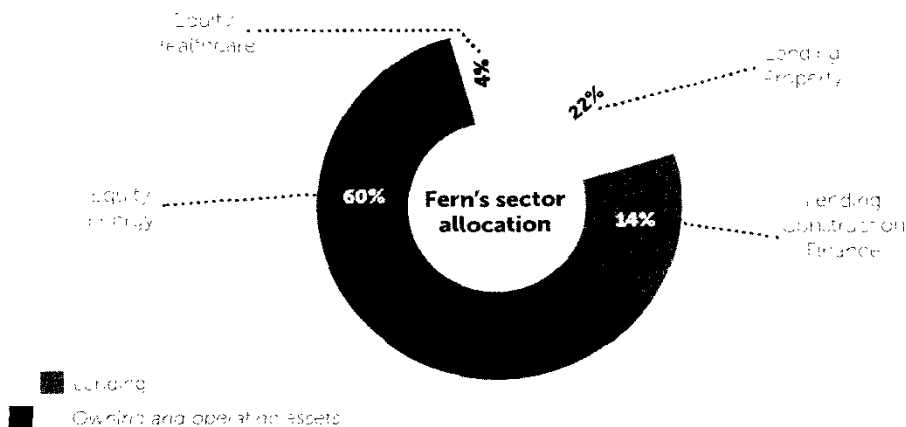
2017	£1.42bn
2016	£1.28bn
2015	£1.16bn

*As at 30 June



1 | OVERVIEW

Fern's business lines



Owning and operating assets

Energy

Fern owns and operates

164 solar energy sites

24 landfill gas sites

5 biomass plants

5 wind farms (2 on-vent, 3 off)

3 hydroelectric power plants

Healthcare

Fern owns a retirement home, care development and operates a care home. Fern currently has three sites under development.

Lending

Property

Fern has lent more than **£1.1b** across more than **1,300** short-term loans. Fern has over **215** live property loans.

Construction Finance

Fern has provided more than **£900m** of construction finance to build energy sites and has provided more than **£200m** of construction finance to build retirement living communities, care homes and hospitals.

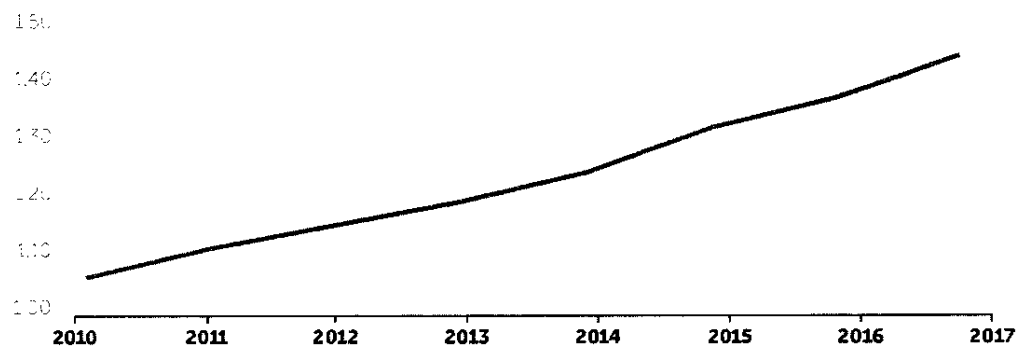
If laid end to end, our solar panels would stretch from London to New York.

The solar sites owned by Fern generate more than 740 Giga Watt hours (GWh) every year. That's enough energy to power every home in Bristol.

1 | OVERVIEW

Fern's share price has performed in line with targets

Share price growth since inception of Fern Trading Limited



Performance is calculated based on the sale price of Fern's shares at 2 June each year

Annual discrete performance

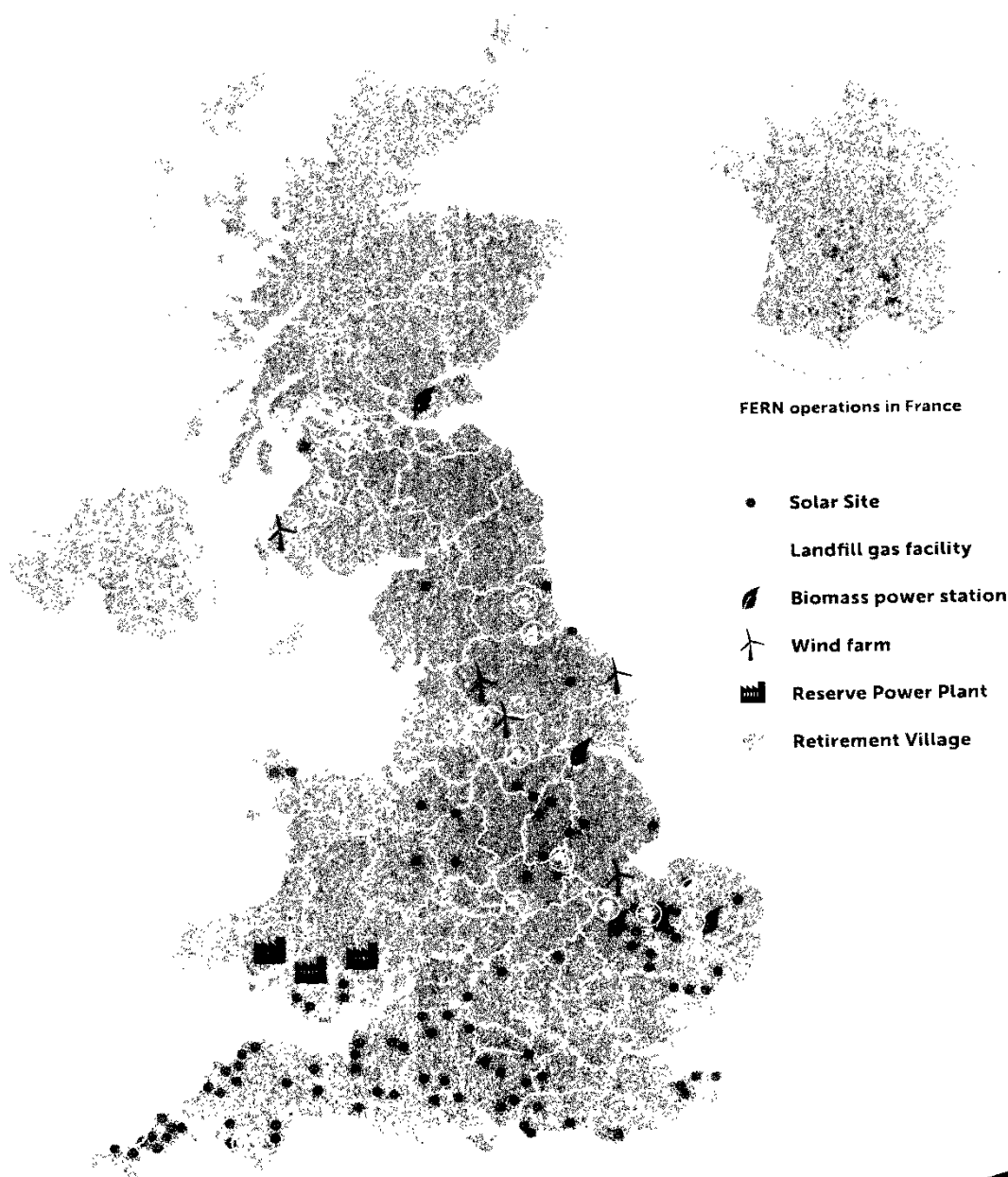
Financial Year	Discrete share price performance
June 2016-17	5.55%
June 2015-16	3.83%
June 2014-15	4.00%
June 2013-14	3.73%
June 2012-13	3.98%
June 2011-12	4.10%
June 2010-11	4.21%

Source: Octopus Investments 2 June 2017



1 | OVERVIEW

Where Fern operates



FERN operations in France

- Solar Site
- Landfill gas facility
- Leaf Biomass power station
- Wind farm
- Factory Reserve Power Plant
- House Retirement Village





2 | STRATEGIC REPORT

Chief Executive's Review

Background

The Fern Group (Fern) has grown to over 250 companies in only seven years by focussing on operating in sectors that are making a valuable contribution for the long term. We currently achieve this in three ways:

- Helping the UK to meet its targets for renewable energy production
- Helping to free up the UK housing stock for redevelopment
- Helping address the housing and care needs of an ageing population

Our involvement in these areas is driven by our financial objectives of:

- Delivering sustainable growth
- Maintaining high quality assets
- Managing liquidity

Over the last year I am delighted with the good progress we have made against this strategic mandate which has resulted in over a 5% growth in the Group's share price.

These strategic priorities are in line with those of our shareholders' objectives and I remain committed to ensuring that these straightforward objectives remain at the forefront of the minds of all those associated with Fern.

Progress in the year

Over the last 3 years, driven by our pursuit of sustainable growth, we have evolved and diversified the operations of Fern from a business with a focus on lending to a position where 65% of its operations now involve the ownership and operation of assets. I believe this better aligns the business to the medium to long term outlook of our shareholders.

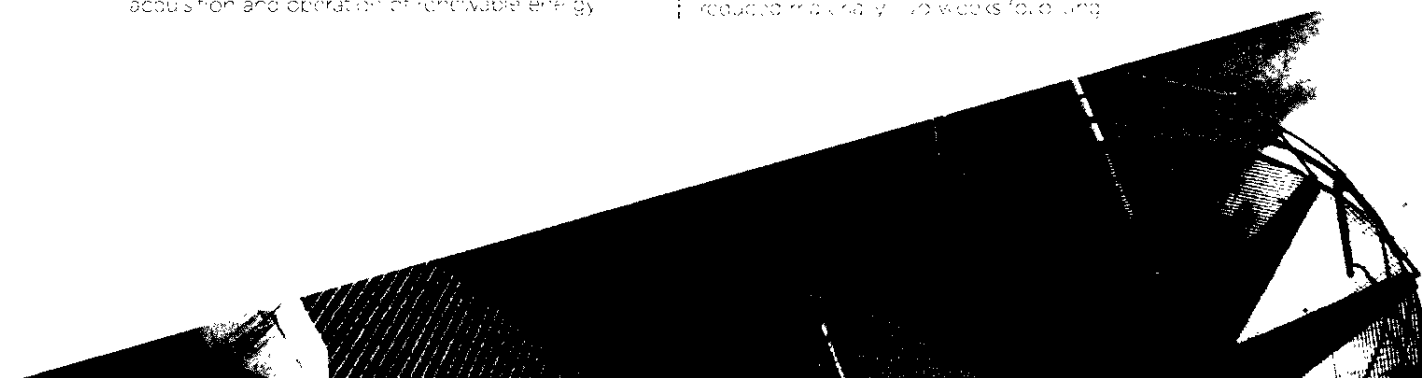
During this financial year, we have continued to pursue growth in our underlying value per share by maintaining a diversified strategy and increasing the acquisition and operation of renewable energy

facilities, the acquisition and management of a renewable village developer and a portfolio of solar assets and infrastructure. Our solar asset ending activities include construction plans for renewable energy facilities and short and medium-term property ending. Acquisitions during the year included infrastructure, commercial solar energy production assets, reserve power plants to help the national grid balance supply and demand for electricity, an onshore wind farm and a solar and wind farm development and operator.

Over the last year, I am delighted with the good progress we have made against this strategic mandate which has resulted in over **5.5%** growth in the Group's share price.

In addition to this, we bought and sold a number of solar sites. The process here is to acquire sites which they are 'move ready' – a land with a long leasehold and the relevant grid and planning consents, and then undertake the construction of the solar site with the intention of selling once operational. This strategy has been in place for some time, but only now are we seeing those sales of our land and the strategy has proved attractive.

The proceeds from these sales were used after the end of the financial year to fund part of the purchase of our established onshore UK wind farms, all with proven abilities to deliver attractive returns – an unintended consequence of the timing of the sale and purchase was that there was a large amount of cash in the business at the year-end that was used to acquire the wind farm assets on 14th July 2017, two weeks after the year-end. This explains the unusually high cash position at the year-end, which was reduced to a fairly low level by the end of the year.





2 | STRATEGIC REPORT

Chief Executive's Review

Fern currently operates in three sectors - renewable energy, property and healthcare.

I will briefly outline our strategy in each of these sectors:

Energy

We have been involved in this industry for a number of years - initially as a levered into the production of renewable energy assets - such as solar farms. Our asset strategy has moved a great deal into business parks with farms, reservoir power and wind farms. As we have moved from farm into the sector and as individual projects have moved from early construction to being operational, we have begun to own and operate more of these businesses, resulting in renewable energy becoming a very significant part of our business. Consequently, we now have 2500+ employees operating these sites on the ground as well as responsibility to own the assets we build to look after them.

The risks are modest but predictable, with around half of revenues coming in the form of long-term government-backed subsidies and the maintenance costs are relatively easy to predict. We have huge experience in this sector and drive the largest commercial scale portfolio of ground-mounted Renewable Energy Centres (RECs) in the government-backed subsidy solar sector in the UK. This experience enables us to maintain those assets to optimise their generating performance and manage the commercial aspects of managing an electricity generation plant to optimise profits for users.

The other part of the revenue stream is the price at which we sell our generated electricity and we use industry-leading consultants to help us predict and hedge this long-term income stream. Our model takes into account the depreciation of the assets, the operating costs with a fixed fee and ensures that we will earn a return on the asset and deliver the cash to renewable infrastructure projects. So, while some of these solar assets will be worth nothing in 25 years, there will be a large premium on the back of the cash and profits generated by them over their useful operational lives.

Property

We typically own a 40-50% loan to value ratio or up to 40% free leverage, significantly lower than we take security over and property, usually a mortgage on the value. These are typically short-term leveraged investments, typically 3-5 years, to build or manage property or financial assets and develop them for commercial use. Our end use business is diversified and are typically having more than 40% loan on our books at any one time. We often own land to value ratio and then that is consistent with the balance of risk and reward which our investors do have deemed appropriate.



2 | STRATEGIC REPORT

Chief Executive's Review

Healthcare

We provide construction finance to a number of specialist healthcare developers who are focused on creating quality modern healthcare infrastructure in areas such as care homes, retirement villages, private hospitals and specialist mental health needs schools. We also now own and operate a community care specialises in developing retirement villages that provide fully provided construction ongoing to. This business is Rangeford. It has three sites in England and is now in a final stage close to opening to fully operational villages and has developed a demand for people aged over 60 where they can live long and healthy lives in attractive surroundings with a wide range of leisure activities on their doorstep.

The move here was so easy, thanks to the Wadswick Green team.

Jean Raper, resident Wadswick Green, Rangeford

While sustainable growth is at the core of everything we do, without taking some calculated commercial risk we would not be able to make a return for our shareholders. We therefore intend to businesses that may not have been able to secure financing from traditional sources, either because they lack the requisite track record in the industry or their business model does not fit neatly into one of the well-established investment sectors.

It is also worth noting that the current balance of our business areas has developed over the years and is likely to develop further as the Group grows. While these areas meet the objectives of our shareholders currently, if that ceases to be the case we could transfer to others. This is not to signal that huge downturns in these sectors or reduced investment in any new areas, but it is important to make our philosophy very clear as I believe it protects the interests of all our shareholders and avoids the creation of any sacred cows.

The outlook

I think it is helpful to share our view of the potential effect of any changes in the external environment on our businesses.

For our funding outgoings, which is driven by a long-dated debt portfolio, growth will slow our but the longer-term loan to value ratio we adopt in short-term nature of our loans and our avoidance of the high-end London property market, any price drop would have a dampening effect on our cost of funds.

Our view on longer-term interest rates is that they will remain broadly flat. Nonetheless, we actively seek protection against such moves through the use of interest rate swaps on our borrowing facilities and issuing loans on a fixed rate terms. Our exposure to fluctuations in interest rates is broadly neutral.

In our healthcare business, we are regulated from a core perspective and will extend and will be unlikely to see any significant change that would fundamentally alter the economics of the businesses we intend to, or in the case of Rangeford, operate.

A proportion of the revenues from our low-carbon energy business come from government subsidies on 20 or 25 year contracts which we believe are unlikely to be modified. The other income streams come from the sale of electricity on the open market along the wholesale energy prices largely driven by the price of natural gas and oil prices. We use industry standard consultants to produce external forecasts of the price over the coming decades but these forecasts by their sheer nature are never entirely accurate. Dependence on the level of variance between the actual and forecast price, this could have an impact on our revenues and therefore the underlying net asset value.

We do not believe that Brexit will disproportionately affect our businesses.

Overall, due to the sectors we have actively chosen and the risk profile we adopt, there is nothing in the macro-economic environment that gives us significant cause for concern.



2 | STRATEGIC REPORT

Chief Executive's Review

Making a difference

At Farm, we also aim and are excited about working in social issues, such as renewable energy and rural infrastructure, where we can make a difference to the lives of our residents. Our aim is to have a fund that our approach has a real resonance for our shareholders, who are proud of being part of the development of the UK economy in these fields.

Our employees

Our employees make up 327 people across 15 businesses and provide employment for many more people indirectly through the contractors it places.

I would like to highlight two groups of people for special mention.

Firstly, the employees of Rangeford who provide outstanding care to our residents in our retirement village near Rato. We have numerous letters thanking our staff from residents and their families alike. The Board and I are extremely grateful to the Rangeford employees for maintaining their dedication and care during a period of growth and development.

Living here feels like a holiday.
A holiday for life

Mr & Mrs Watson, resident Wadswick Green, Rangeford

Secondly, in May 2016, a team led by Motion Renewable Energy Ltd (MREL) site Operations Director, Lynn Andrew, undertook a year of trials at Fife Power Station (a plant that takes waste and turns it into electricity) to validate and test its ability to significantly upgrade its fuel mix to incorporate 50% waste waste. The test period included fuel used performance, emissions, corrosion, health and safety and environmental performance.

The rationale for the change was to reduce fire risks and thereby improve financial performance whilst increasing fuel feed diversity. The trial was a success and in July 2017 the plant had completed its trial and is now operating at a projected annual 130 TPA improvement on Fife, with a significant improved fuel flexibility. A fantastic achievement by Lynn and his team.

Current trading

We are pleased with the progress we have made in our first four months of the current financial year with the integration of Rangeford and the four on-shore wind farms purchased at the start of the new financial year having progressed well. We remain focussed on the delivery of the strategic objectives through our successful involvement in the major sectors in which we currently operate and are confident that the business will continue to create steady long-term value for its shareholders.

The current year will be the predominant of organic growth within the sectors outlined above while gently testing out one or two new potential areas of performance growth.

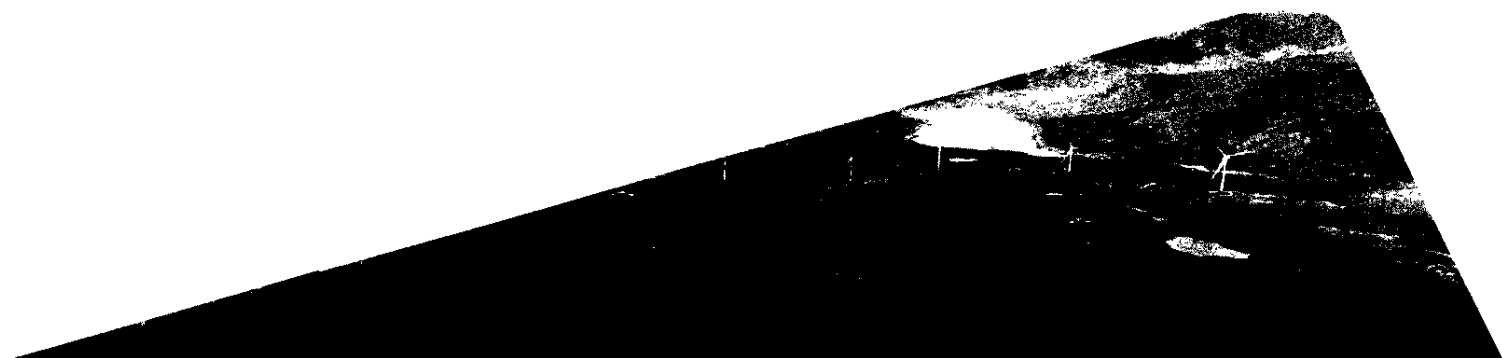
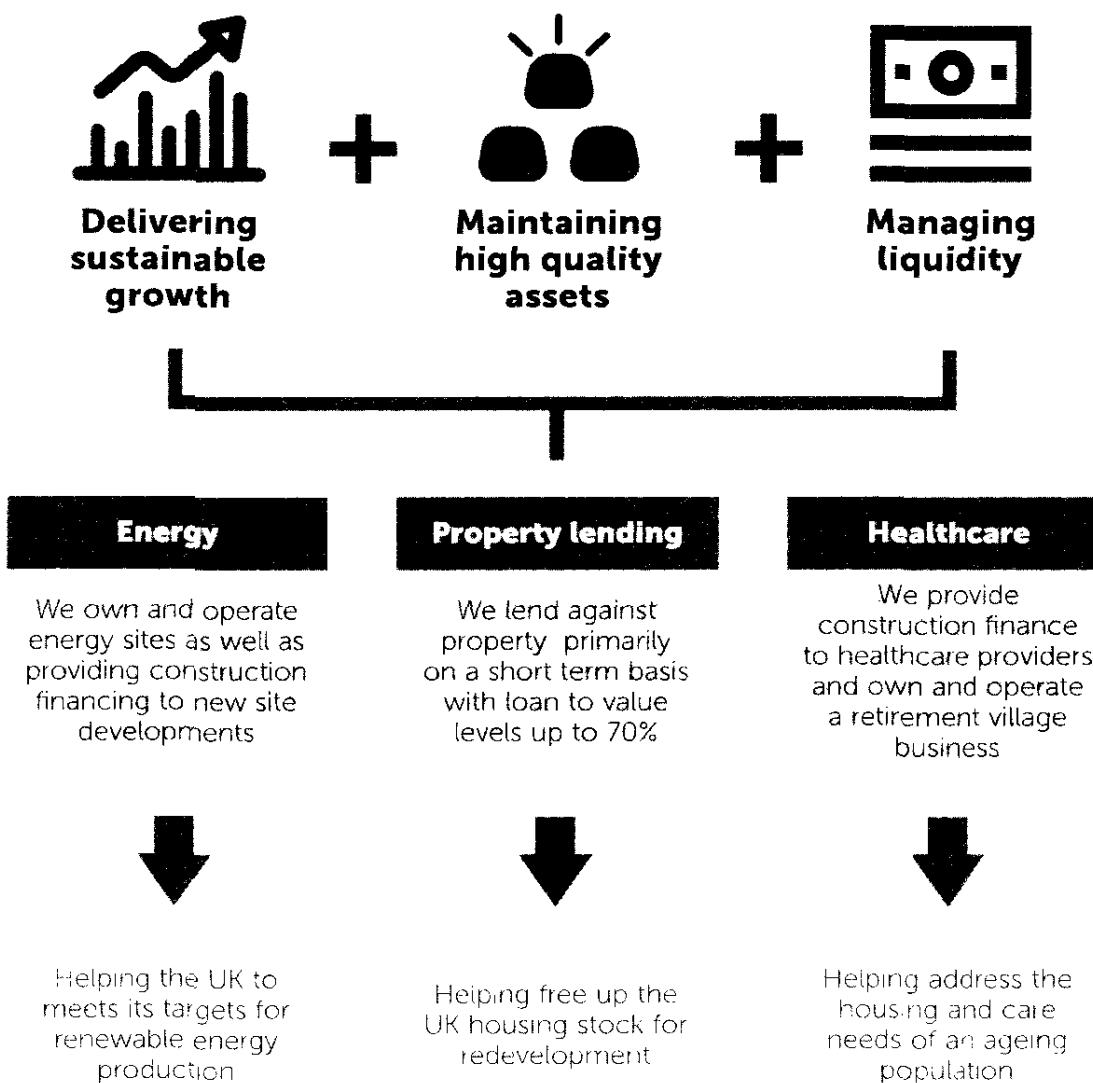


Paul Latham
Chief Executive Officer



2 | STRATEGIC REPORT

Our strategy



2 | STRATEGIC REPORT

Operational strategy in action

Rangeford Wadsworth Green Retirement Village

Here, we own the Rangeford group which specialises in providing a high quality of living for people aged over 60. It builds contemporary retirement villages in which people can live long and healthy lives in attractive surroundings with a wide range of leisure activities on their doorstep. Once a site is complete, Rangeford sells apartments to residents, who then continue to maintain their day-to-day activities at the retirement village. Rangeford currently has three retirement villages in various stages of development. The villages at Wadsworth Green, near Bath and Pocklington in Yorkshire have residents already completing the first phase of construction while the rest of both villages continues to be built. The village at Grendon in the Cotswolds is in the planning stage. In this section, we focus on Wadsworth Green to illustrate how the villages operate.

Location

Wadsworth Green Retirement Village is a 20-acre site in Gortonham, Yorkshire. It is located in a semi-rural setting and is 7 miles from Bath. Formerly a Royal Navy training college where the Duke of Edinburgh served as an instructor, the site had been abandoned since 1993 before it was bought by Rangeford twenty years later.

Design

The village is designed like a resort, with the majority of the apartments in clusters arranged around a central facility that forms the hub of the community. These courtyard apartments are a mixture of non-dependant, one and 1 to 3 bedroom apartments with open spaces and communal facilities to promote a feeling of independence.

The central building, known as the Pavilion, contains a restaurant and bar, lounge, spa, gym, pool and saunas, and a children's zone. There are gardens and courtyards surrounding the building giving the residents a number of areas where they can relax and socialise within the Pavilion and smaller apartments that are designed for residents who may desire easier access to the amenities and services.

Development

The village has been open since April 2017 and the first of the 81 courtyard apartments was released at this point. This Pavillion was completed in November 2015 which is when the restaurant and spa opened and 180 holiday apartments became available. As of the end of June 2017, a total of 100 courtyard apartments have been sold and 20 of the Pavilion apartments are available with a total of 127 residents currently living in the village. Rangeford are building 45 more courtyard apartments which are expected to be completed in August 2018 and plan to build a further 90 in the future. They also intend to expand the Pavilion which would add additional facilities and may include more rural or styled apartments.

People

Wadsworth Green currently employs 50 staff who provide the services to the residents which include a dedicated and highly qualified domiciliary care team, a physiotherapist, restaurant, and bar staff, spa therapists, chauffeurs, a drama club and a dance and fitness group. These people take care of hundreds of residents including helping them move in, drive them to local events or even at the end of the village and organising events in the village for the residents to enjoy. The restaurant serves over 800 meals a week and the care staff provide an average of 20 hours of care to the residents a day.





2 | STRATEGIC REPORT

Operational strategy in action

Solar Energy Pitchford Solar Farm

Pitchford is the largest investor in commercial-scale solar energy installations in the UK and the installation capacity of our farms is in excess of 740 Giga Watts Hours (GWh). These solar farms produce a similar amount of energy each year as is consumed by a town the size of Birmmingham. It is this reputation for focus on Pitchford Solar Farm to attract both UK solar energy investors and globally.

Background

The site consists of over 82,600 solar panels. These panels are made up of solar cells containing photovoltaic material able to convert energy from the sun into a flow of electrons and electric power. This power is then sold via a Power Purchase Agreement to an electricity supply company and sold on to homes, shops.

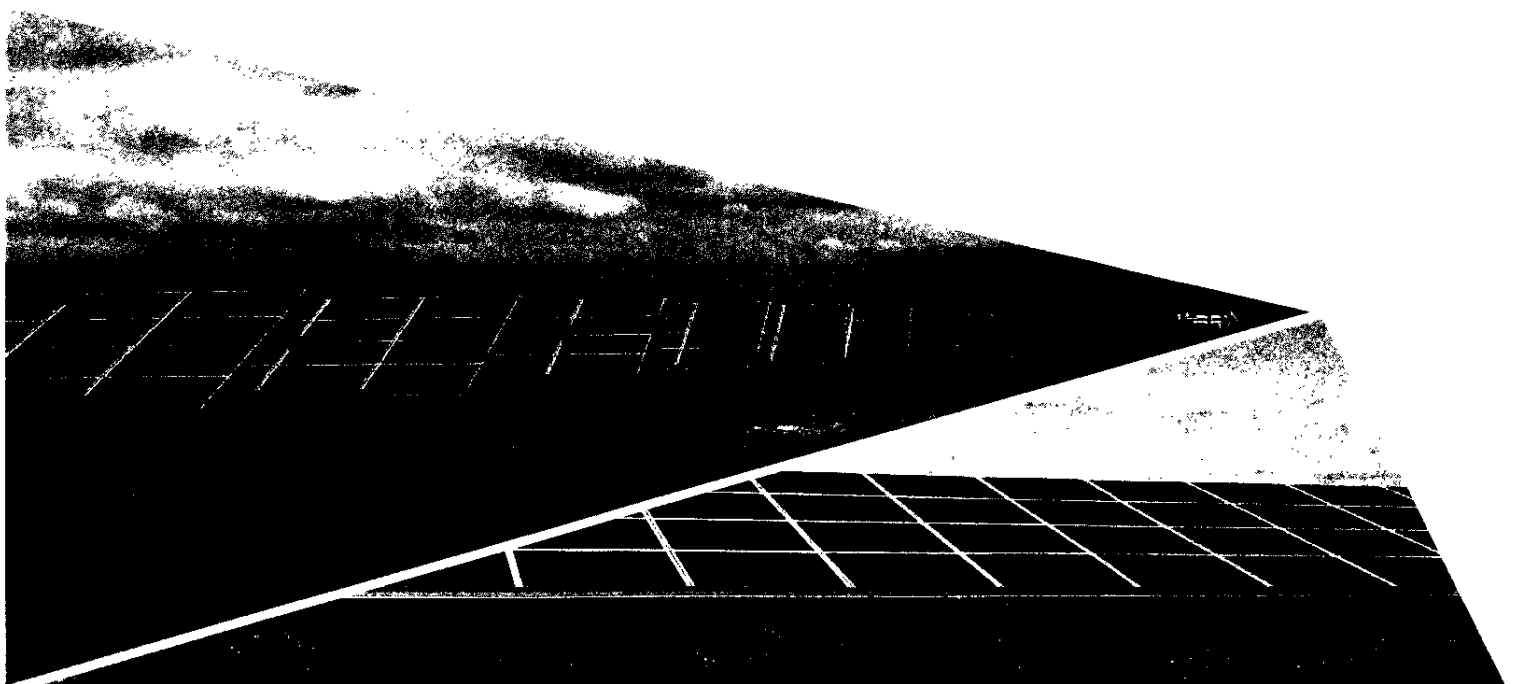
Our return on investment

Through the UK government-backed Renewable Obligation Certificates (ROC) mechanism, the solar farm received a 140 ROC accreditation, meaning guaranteed long-term revenue streams (14x the ROC price) on top of the normal revenue from electricity sales. This long-term revenue predictability coupled with increasing demand for electricity made this an attractive proposition for them.

Pitchford generated £2.2m of revenue for the year with a EBITDA of £1.3m. After interest and depreciation the company made a small profit of £77k. Over the next five years, revenue is expected to increase by 13% and operating costs by 10%. Whereas depreciation is expected to stay constant and interest is expected to fall, resulting in steadily increasing profits from the site.

Environmental benefit

The amount of electricity generated at Pitchford park annually is enough to power over 1,800 homes and enough to save around 10,000 tonnes of carbon emissions each year.





2 | STRATEGIC DIRECTOR

Directors

The experienced Board Director for the Fair Group, and is responsible for determining the strategy of the business, and for accounting for the company's actions and value to shareholders. They have a set of complementary professional, industry, and personal skills and attributes.

Paul Latham

Paul is an executive, former and is responsible for the day to day running of the business. He is also a managing director of O'Connell Investments, a professional services firm. O'Connell Investments is a subsidiary of the Latham and is a leading provider of financial and legal services. Paul is a qualified director and has a wealth of experience and expertise in the financial services industry.

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



Keith Willey

Chairman of the Board

Keith is an associate professor of strategy and international management and an experienced senior at London Business School as well as a senior lecturer at University College London. He also holds various non-executive directorships and advisory roles of high growth and more mature companies. In his role as non-executive chairman he is responsible for the effective operation of the board as well as its governance.

He brings independent commercial experience gained from his time in academic, private public, and government, and various boards of national bodies to the firm business.

Peter Barlow

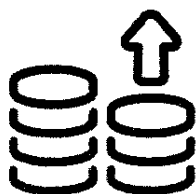
Peter has almost 30 years' experience in international, financial, infrastructure and energy. As a senior executive for International Power, Peter was responsible for bringing over US\$12bn of projects and corporate funding as well as overseeing major crises and treasury matters. He has spent over 10 years working internationally for HSBC, Bank of America and NatWest, managing at least 10 and growing projects in the energy and infrastructure sectors.

His combination of Board level financing and energy expertise over numerous energy sub-sectors and multi-regional knowledge of all the sectors in which he operates adds significant value to the operation of the Board as well as its strategy formation and deployment.



2 | STRATEGIC REPORT

Key performance indicators



EBITDA

Fern's EBITDA has doubled in the last **3 years**



Carbon offsets

Fern's renewable energy sites carbon saving in the year grew by **8.8%** to over **780,000** carbon tonnes



Energy generation

Fern's renewable energy assets produced enough energy to fuel **560,000** UK homes



Number of loans

Fern provides financing to over **245** borrowers in the UK



Number of employees

Fern's has grown by around **70** employees to a total of **331** during the year



Number of sites

Fern has over **200** renewable energy sites spread predominantly across the UK



215 CAPITAL RISK RDR

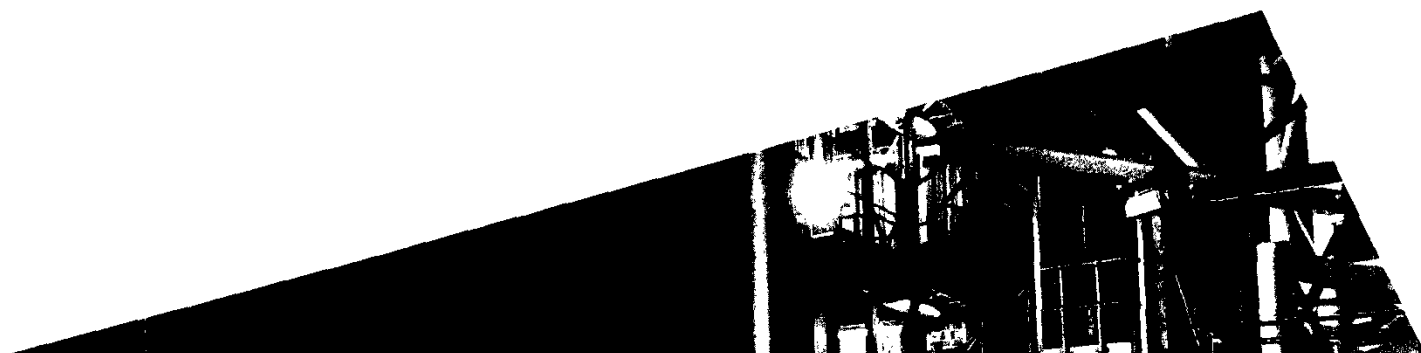
Principal risks and uncertainties

Risks are present that businesses and arise from the opportunities and strategies we pursue. The Group manages these risks by identifying and assessing them, and reducing by appropriate risk reduction strategies and by other means. Key risks that the Group has exposed to risk add to the energy prices, property prices and credit, liquidity risk of borrowers. These risks are managed by thorough risk management on actual targets, and on the value of the assets being lent against, or new risks. The Directors manage cash

flows by deploying capital across a portfolio of opportunities, by assets which provide productive cash flows as well as strong return on capital, which are to manage, study.

In the table below, we present a description of the risks that we have to reduce, the extent of impact on the risk and our assessment of whether the risk of the risk has increased, lowered, remained the same or is a new risk in the year.

Risks	Key mitigations	Change
Energy price risk: As an owner of a portfolio of renewable energy assets, there is a risk that once operational, the energy generating assets risk to suffer a decline in income, prices, because of changes in energy prices or costs of capital.	This is mitigated by government that uses a loan agreements, such as the Renewable Obligation (RO) and the Feed-in Tariff (FIT), which underpin the revenue of loans, and through thorough market, legal and financial diligence prior to the start of construction, including the construction process. The percentage of income covered by FIT subsidies is 59% (2016: 59%).	=
Political risk: Because most of our renewable energy assets are in the UK, which is subject to government policy and risk, there is a risk that the government will take actions that could impact on the income of the assets.	The majority of our energy assets are in the UK, which is generally considered to be a stable regulatory environment with no history of retrospective change to government policies.	=
Operational risk: As a provider of renewable energy, there is a risk that the operational performance of the assets does not match up with the expectations in terms of the production of electricity, which may be affected by weather conditions and operational availability.	This risk is managed through ongoing monitoring and a robust strategy, designed to achieve maximum availability.	=
Credit risk (loans): The key risk faced by the Group is the risk that the assets will not be able to generate the expected cash flows, which could result in the assets being sold at a loss.	This is mitigated through solid underlying security, such as a charge over the assets, or other security, which reduces the potential risk to the Group's capital, and the assets' ability to generate cash flows.	=





2 | STRATEGIC REPORT

Principal risks and uncertainties

Risks	Key mitigations	Change
Exposure to the property market (loans): the Group's is a short-term lender to the residential property market in the UK. To the extent that there is a deterioration in the level of house prices which affects the properties that the Group are secured against, there is a risk that the Group would not recoup its full exposure.	This is mitigated by the short-term nature of the loans and the conservative view of loan to value that the Group is prepared to lend at.	=
Exposure to the property market (development): the Group acquired Sunbford during the year, a group which develops and operates retirement villages in the UK. To the extent that there is a deterioration in the level of house prices, there is a risk that the Group would not recoup its full exposure.	This is mitigated by appropriate due diligence and careful monitoring throughout the construction and sale process.	NEW
Construction risk: the Group provides loans to various borrowers in the healthcare and energy sectors to construct new sites or renovate existing facilities. There is a risk that delays to construction or increased construction costs could impact on the borrowers' ability to repay the loan.	This is mitigated by thorough due diligence prior to entering into the facility, as well as ongoing monitoring of the construction progress and relevant covenants by the Management. Provisions have been incorporated into the loan book during the year and therefore we have raised the level of risk. Management continue to monitor construction loans carefully.	+
Financing risk: the majority of the Group's energy assets have project financing in place from commercial lenders, or in the case of MRF, a fixed rate bond. The external debt is secured at a floating rate therefore there is a risk that interest rates could increase which would increase the interest payable by the Group.	This is mitigated through the use of interest rate swaps on 80% (2016: 76%) of the debt. The Group also receives interest on a floating rate basis on a number of floating rate loans which to some extent offsets the Group's unhedged exposure to fluctuations in interest rates.	=



2 | STRATEGIC REPORT

Social responsibility

Through our current business mix the Group aims to make a valuable contribution for the world, our employees and our shareholders. We are achieving this in three ways:

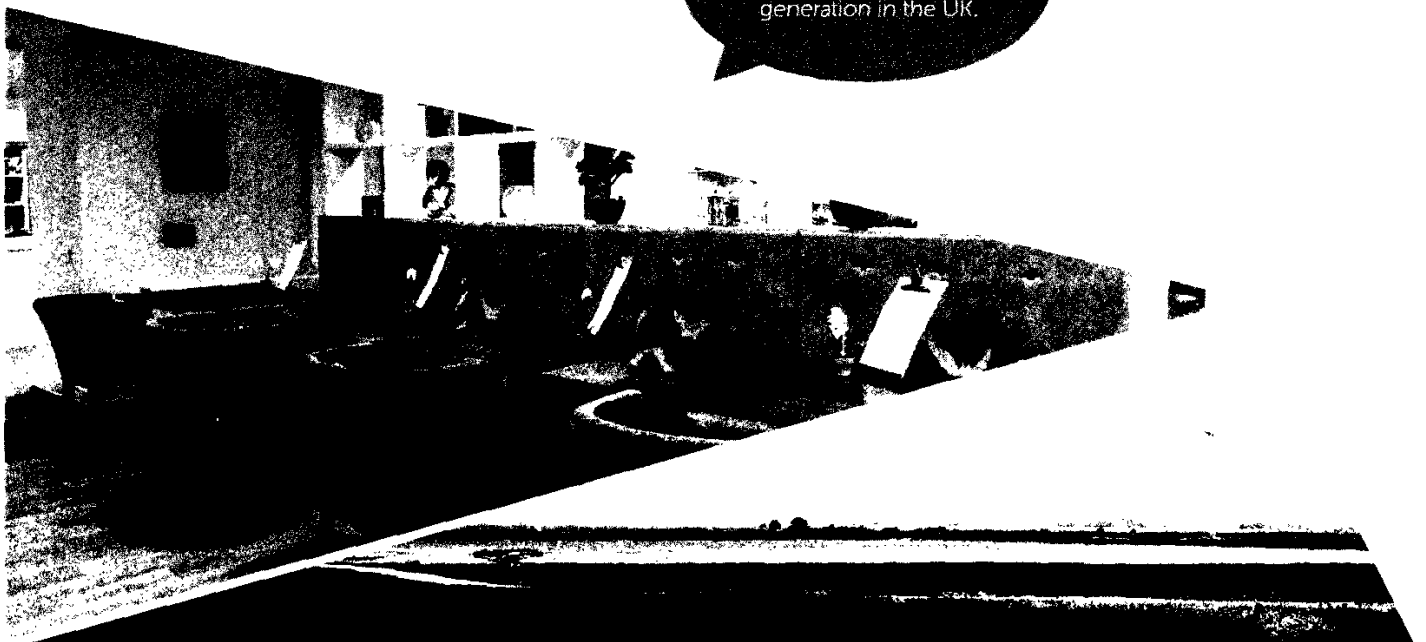
- Improving the world to meet its needs for food, water and energy products
- Improving the lives of our employees and seeking for a greener planet
- Continuing to address our sustainability and core values of an ageing population

Our team across the world are excited by working in sectors where we can make a difference. We offer our employees the opportunity to work in infrastructure and to make a small contribution to a significant global effort to find a financial solution. We have found this approach to be a key element of our long-term nature of our operations, thus a powerful response for our investors. It is a proven fact however that while these areas meet the objectives of our shareholders, currently if that needs to be the case, we will transition to other sectors.

The renewable energy sites owned and operated by Fern generate more than **2130 Giga Watt hours (GWh)** every year.

Fern is the UK's largest producer of solar energy from commercial-scale sites. Fern has built on this expertise, and owns additional energy sites such as wind energy, biomass and landfill gas.

Fern contributes **3.1%** of all renewable energy generation in the UK.





2 | STRATEGIC REPORT

Group Finance review

Annual summary

2017 has been an exciting year for the Group, which has involved continued expansion in the energy and infrastructure sectors in particular. A large expansion and acquisition of EBITDA is included at the end of the Group Finance review, increased by 122% to £95.0m driven by increased revenue from energy generation as more assets have become operational and assets acquired during 2016 were held for a full year. A number of acquisitions were made during the year, including 11 solar sites (all operational) and six ready to construct (all on farm) wind farms, all of which are a retirement village development and operator. Shortly after the year end, in July 2017, the Group acquired a portfolio of four wind farms for £147m and therefore had cash built up at the year end in order to fund this acquisition. The Group disposed of six solar sites during the year, which had been acquired ready to construct and were not intended to be held in the longer term post construction. The sale helped to fund the acquisition of the four wind farms (post year-end) which are higher yielding assets. The Group continues to provide property and construction loans, with a loan book of £472.2m at the year end (2016: £499.6m).

Results

EBITDA for the Group was £95.0m (2016: £43.3m) driven by total revenue of £293.1m (2016: £225.9m). Net cash inflows from the issue of new shares was £159.2m, enabling acquisitions of £97m (net of cash acquired). The Group loss for the year was £28.8m (2016: loss of £43.4m). Revenue of £793.1m was offset by expenses of £526.7m, including site costs of £112.7m, depreciation and amortisation of £85.8m, interest of £57.0m and service fees of £53.1m, which included by £1.7m compared to the previous year following the reduction in service fee level from 3.5% to 2.5% in May 2016. These expenses were in line with expectations. Non-recurring expenses incurred include bad debt provisions against loan balances (£28.7m) and financing costs (£10.3m) for

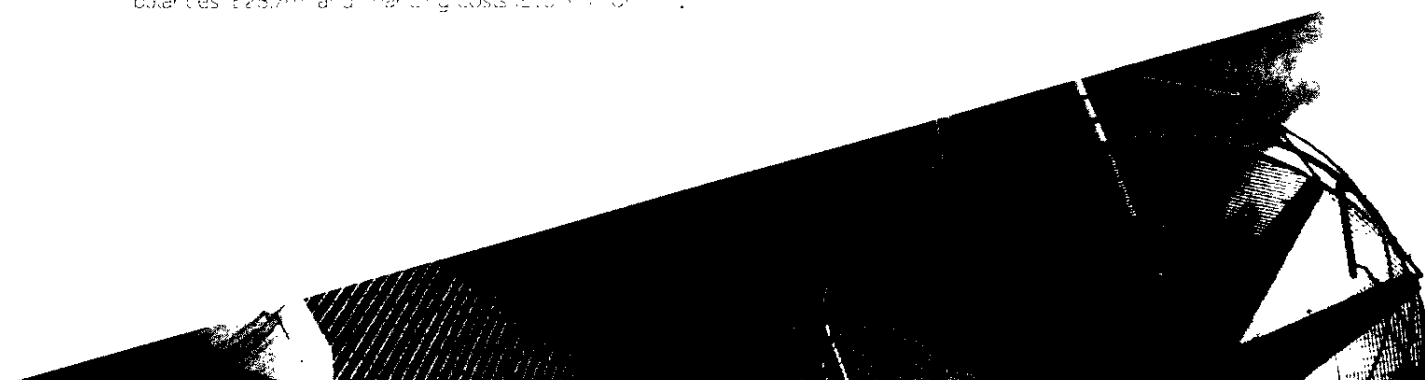
the new facilities entered into in line with budget. The financial ratios disclosed are for ten years for the prior financial and interim years for the Group and credit facility. Rangeford made costs in relation to the purchase of Rangeford £1.4m. The bad debt provisions were recognised against the loan to Rangeford Holdings, a 100% shareholder in large development and operator, which was stopped only acquired by LHM. Management are confident that the Rangeford group will be profitable in the long term and are assessing the future Group cash balance, increased by £81.0m in the year to £2.48m, in preparation for the £147m acquisition of four wind farms which occurred shortly after the year end.

Sectors

Revenue from lending increased by 14% to £67.9m due to an increase in average total loan book, though out the year. Gross provision net lending book was £21.7m (2016: £17.1m) with initial out to provisions recognised against loans during the period of £28.7m (2016: £5.0m). At the end of the year, the ending book was made up of £284m property loans and £188m construction loans (£120m of residential construction, £68m for Energy construction) with average interest rates of 9.8% and 11.5% respectively.

Revenue from owning and operating solar sites increased from £61.6m to £89.0m due to additional sites being acquired during the year and a full year of operations from the existing sites owned. Sites were acquired in August and September in 2016.

The solar sites contributed £60.4m EBITDA to the Group, and a loss after tax of £9.9m after expenses of £164.2m, including £51.7m depreciation, £72.2m site costs, £21.9m interest expense and £7.5m financing costs, in line with expectations at the time of acquisition.





2 | STRATEGY REPORT

Group Finance review

2016/17

This and oil gas and oil assets were acquired in September 2016, and therefore 2016 is a transitional period, approximately nine months of operation. With the launch of gas and oil assets, the group has a full year of operation for the full financial year 2017, this resulted in a revenue increase of £4.12m to £117.2m and an increase in EBITDA of £8.2m.

2015/16

The Group acquired a new wind farm in September 2016, contributing to a significant increase in revenues from wind generated energy during the year. Of the two wind farms started and operated during the previous year, one became operational in January 2016, contributing six months of generation revenues in that financial year and the other became operational in July 2016, therefore only contributing to revenues in the 2017 financial year. Revenue increased from £1.7m to £3.8m, and EBITDA increased from a loss of £0.4m to £2.2m. The overall loss from wind farms reduced slightly to £1.6m. This was slightly behind budget due to early delivery of wind speeds during the year.

Post year-end, the Group acquired a portfolio of four wind farms, increasing the capacity by 148MW.

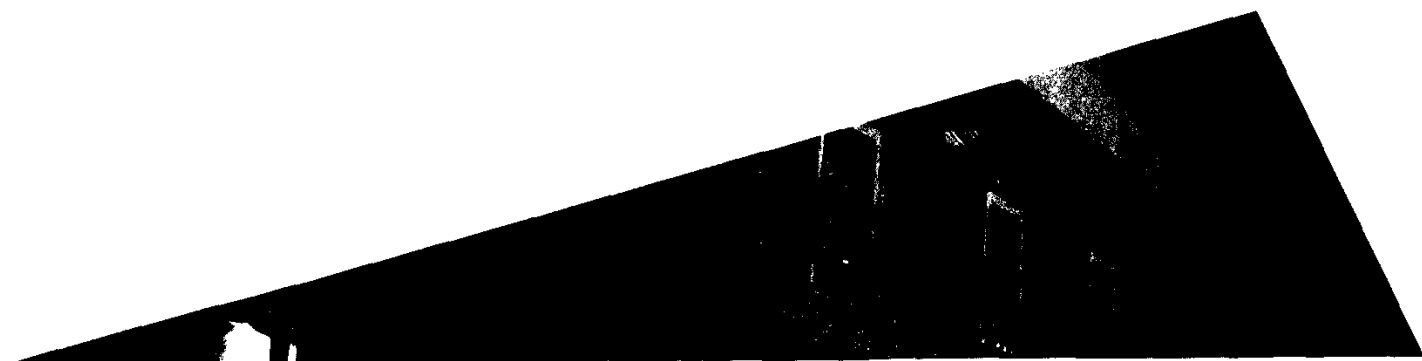
2014/15

The Group owns three oil rigs. Powerhead 2, which started in addition since July 2015, 2015 was still a start-up due to the production start date, and was operational for the full year, however one was only operational for six months of the 2016 financial year. This resulted in a increase in revenues in 2017 from £52m to £62m, and an increase in EBITDA from £0.1m to £1.1m. The rig acquired in July 2016 became operational in October 2016.

Range of the revenue and value added, and operational assets, and the year, a revenue of £5m revenue to the Group, and a profit of £1.4m. The Group is expected to have a significant increase in revenue, and a significant increase in profit, and a significant increase in profit.

2013/14

The Group successfully completed £400m refinancing of the oil and gas group, and a significant increase in revenue during the previous year, which a two year out of date was put in place. This is a long term facility which improves operational flexibility and allows for an increase in expenditure returns from the oil and gas business. The refinancing was also achieved during the year, replacing the revenue losses on debt, with a refinancing across all the refinancing. This has improved operating and efficiency and is expected to increase the operating returns from the refinancing. The revolving credit facility, which was replaced with a three year facility with new lenders for an initial amount of £400m, which is extended to £400m in December 2016. The refinancing is expected to increase the revenue from the refinancing, and is expected to increase the revenue from the refinancing. Our strategy is to leverage our operating assets in order to deliver expected returns across the Group, therefore we expect continuing an increase in our operating assets.





2 | STRATEGIC REPORT

Group Finance review

Operating performance

Following a two year transition period, management expect a period of stability and focus on maximising returns from current operations. The majority of the energy sites within the Group are expected to generate a cash contribution and to contribute towards Group revenue. The future of energy business is expected to be cash generative but will continue contributing an overall loss to the Group in the short term due to amortising loans and depreciation charged at a fixed rate, whilst revenues are index linked and are therefore expected to increase over time. The acquisition of four wind farms in July 2017, expected to increase revenues from wind generated energy significantly as the wind capacity increases from 8.1MW to 229MW. The lending portfolio continues to be both cash generative and profitable, and management intend to continue seeking attractive lending opportunities.

EBITDA and EBITDA margin

EBITDA is earnings before interest, tax, depreciation and amortisation. The Group uses EBITDA as a key measure of performance as it provides comparable results that are not skewed by non-cash expenses (depreciation and amortisation) or financing arrangements. It helps to show the Group's ability to pay interest on its debt. As the Group owns and operates a large number of energy sites, capital expenditure over the past few years has been high, leading to large depreciation costs. As the Group's policy is to depreciate assets on a straight line basis, we expect revenues to increase over time due to sites becoming operational, financial year end inflation

	£'000
Loss for the year	29,802
Net interest expense	36,214
Tax	2,690
Depreciation and amortisation	85,848
EBITDA	94,950



3 | GOVERNANCE

Directors' report for the year ended 30 June 2017

This directors' report, financial report and the supplementary financial statements for the year ended 30 June 2017.

Refer to the Group's financials on page 19.

The directors who served during the year and up to the date of signing of the financial statements are:

TS Chan
KL Wong
PG Barker

Refer to the Strategic Report on page 16.

Refer to the Strategic Report on page 16.

Refer to the Strategic Report on page 16.

The Group's business activities, together with the directors' key efforts to financial position and expenses are set out in the Strategic Report on pages 7 to 19.

The directors believe that the execution of strategy means the Group will be able to manage its business risks successfully. Accordingly, they expect to continue to adopt the same risk management framework to the next report and onwards.

Refer to the Strategic Report on page 16.

Refer to the Strategic Report on page 16.

Refer to the Strategic Report on page 16.

Refer to the Strategic Report on page 16.

Refer to the Strategic Report on page 16.

Appointments or removals of directors or persons exercising similar functions require a resolution of the shareholders. The directors are not aware of any circumstances that may require the resignation or removal of any director or person exercising similar functions. Every effort is made to ensure that all employees are engaged effectively and productively.

Refer to the Strategic Report on page 16.

The fully qualified and experienced directors are responsible for the preparation and approval of the financial statements and the supplementary financial statements. The directors are also responsible for the preparation and approval of the Strategic Report and the financial statements. The directors are also responsible for the preparation and approval of the financial statements and the supplementary financial statements. The directors are also responsible for the preparation and approval of the financial statements and the supplementary financial statements.

Refer to the Strategic Report on page 16.

The directors are responsible for preparing the Strategic Report, the Financial Report and the Group's and parent Company's financial statements for the financial statements for the period under review in accordance with the law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Accounting Standards (comprising FRS 102 and Financial Reporting Standard applicable in the UK and Republic of Ireland) and applicable law (United Kingdom Generally Accepted Accounting Practice). 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 financial affairs of the Group and the Company and of the profit or loss of the Group and 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 estimates to prepare financial statements that are reasonable and prudent;
- state whether FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland has been followed, subject to any material departures disclosed and explained in the financial statements.



3 | GOVERNANCE

Directors' report for the year ended 30 June 2017

- notify its shareholders in writing about the use of directors' exemptions, namely of RS 102 upon the liquidation of financial statements; and
- prepare the financial statements on the going concern basis unless it is imperative to presume that the company will not trade in business.

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

Directors' indemnity and insurance

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

Directors' responsibilities statement

Each of the persons who is a director at the date of approval of this report confirms that:

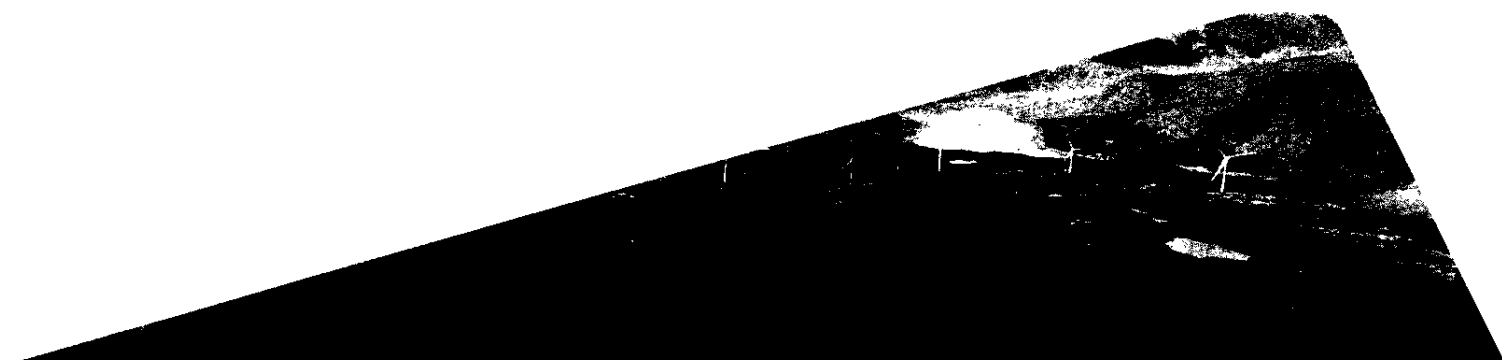
- so far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware; and
- each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors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

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

Renewable Power Coppers Ltd have expressed their willingness to continue to offer shareholders and a dividend to shareholders who are entitled to the forthcoming Annual General Meeting.

On behalf of the board

PS Latham
Director
19 December 2017



3 | GOVERNANCE

Independent auditors' report to the members of Fern Trading Limited

Report on the audit of the financial statements

Opinion

In our opinion, Fern Trading Limited's Group financial statements and Company financial statements (the "financial statements")

- give a true and fair view of the financial position of the Company as at 30 June 2017 and of the group's loss and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom General Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland), applicable law and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements included within the Annual Report and financial statements (the "Annual Report"), which comprise: the group and company balance sheets as at 30 June 2017; the group profit and loss account and statement of comprehensive income; the group statement of cash flows; and the group and company's statements of financial position for the year then ended; the statement of accounting policies; and the notes to the financial statements.

Basis for opinion

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

Independence

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

Our audit approach

- Overall group materiality of £203,500 (2016: £175,800), based on 1% of Revenue.
- Group company materiality of £2,000,000 (2016: £2,000,000), based on 10% of EBITDA before exceptional financing costs.
- We conducted audits of the complete financial information of Fern Trading Limited and the consolidated components, namely, The City Limited and Metron Group Limited, in the UK.
- In relation to the audits for the subsidiary accounts for the Group, subsidiary and the subsidiary company's stock made at the same or different time and, as such, as at the date of the period, we have audited all material subsidiary companies in the Group.
- The Group's engagement team performed audit procedures including the audit of the consolidated balance sheet in the Randolph Funding Limited audit and which was performed by independent valuation.
- Acquisition and disposal of Group.
- Appropriateness of Adjustments (Reserve).
- Impairment of goodwill and investments for the audit period.



3 | GOVERNANCE

Independent auditors' report to the members of Fern Trading Limited

Our audit approach (continued)

Materiality and the risk of material misstatement

As part of designing our audit, we determined materiality and assessed the risk of material misstatement in the financial statements. In particular, we focused on where the directors made subjective judgements, for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As a result, our audit was designed to respond to risks of material misstatement by considering factors, including qualitative factors, that may increase the risk of misstatement due to fraud.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole and in forming our overall opinion, and we do not provide a separate opinion on these matters. For further information on the risks identified by our audit:

Key audit matter

How our audit addressed the key audit matter

Acquisition Accounting

The Group has made a number of acquisitions during the financial year. On purchase of these joint ventures, the assets of the companies purchased were recognised at their fair values. Fair value recognition involves judgement from management.

We have understood all acquisition transactions in the year and tested the acquisitions, including valuation identification and considerations on:

We have audited the fair value of significant intangible intangibles as well as the calculation and allocation of goodwill.

Recoverability of Accounts Receivable

Within Fern Trading Limited there material balances relating to the securities lending business. Management's provision in respect of these amounts are an area of subjectivity with respect to their recoverability of balances.

We have tested the controls and procedures in place around the issuance of loans and have performed testing to validate this process.

We have tested management's recoverability provisions on policies and processes.

We have also tested the recoverability provisions for evidence of additional impairments through investigation where loan to value ratios were breached, ensuring valuations on collateral, properties are independent and undertaken using appropriate methodology, assessment of overdue loans and loans with multiple extensions and analysis of forecasts and cash flow models to support the recoverability of the loans.

Impairment of Goodwill and Investments

As a result of acquisitions in the year and historically, a large capitalisation of intercompany loans in the year significant assets are non-current and hence should give rise to goodwill and investments.

In addition there is a significant intercompany balances throughout the Group which are also assessed for recoverability. Changes in the ability, prices and intercompany of assets may not be fully reflected in the value of the assets may no longer be supported by the valuation models.

We have obtained the valuation models from management and assessed the methodology and functionality of the models. We have engaged experts to assist us in the process and support the assumptions used in the models. We have also consulted with experts to give us comfort over the appropriateness of the models used, analysis possible impairment.

Independent auditors' report to the members of Fern Trading Limited

based on our professional judgment. We determine materiality on the basis of statements as a whole and factors:

No agreement was reached concerning a final withdrawal report. The most serious of the findings of the 1990 study (140,000 lbs. of polychlorinated biphenyls) and the 1992 study (Company A and 200,000,000 lbs. of polychlorinated biphenyls) were not taken into account in the 1993 withdrawal report.



3 | GOVERNANCE

Independent auditors' report to the members of Fern Trading Limited

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report, if applicable:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's and Company's ability to continue to adopt the going concern basis of accounting for a period of at least 12 months from the date when the financial statements are authorised for issue.

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

Reporting on other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether or not there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

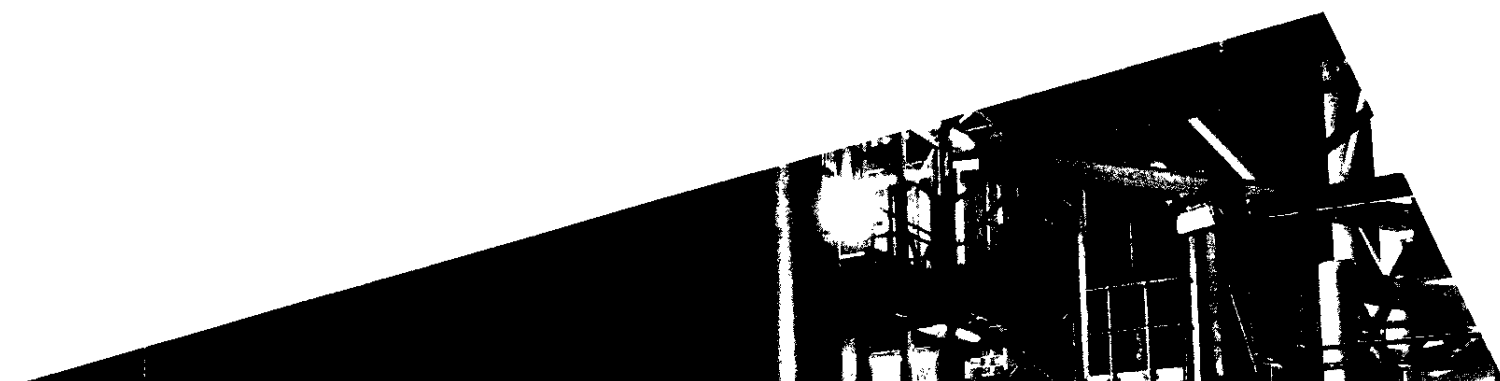
With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below:

Consistency of the financial statements with the Strategic report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 30 June 2017 is consistent with the financial statements and has been prepared in accordance with the applicable legal requirements.

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





3 | GOVERNANCE

Independent auditors' report to the members of Fern Trading Limited

Responsibilities for the financial statements and the audit

Responsibilities for the financial statements and the audit

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

In preparing the financial statements, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing as appropriate matters related to going concern and using the going concern basis of accounting unless the directors (either individually or jointly) consider the Group or the Company or its subsidiaries are, or may be, unable to continue to do so.

Our objectives and the assurance we provide

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 2 of Part 16 of the Companies Act 2006 and, for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or to whose hands it may come, save where expressly agreed by our prior consent in writing.

Other required reporting

Other required reporting under the Companies Act 2006

Under the Companies Act 2006 we are required to report to you if:

- we have not received all the information and explanations we require for our audit;
- any director, auditor or the company has not disclosed by the company, or returns attributable for our audit, have not been received from companies not controlled by us;
- certain disclosures of directors' remuneration specified by law are not made; or
- the company is in breach of financial reporting requirements in connection with the disclosure of expenses and returns.

We have no exceptions to report arising from this responsibility.

Jonathan Greenaway (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Newcastle upon Tyne
19 December 2017



4| FINANCIAL STATEMENTS 30 JUNE 2017

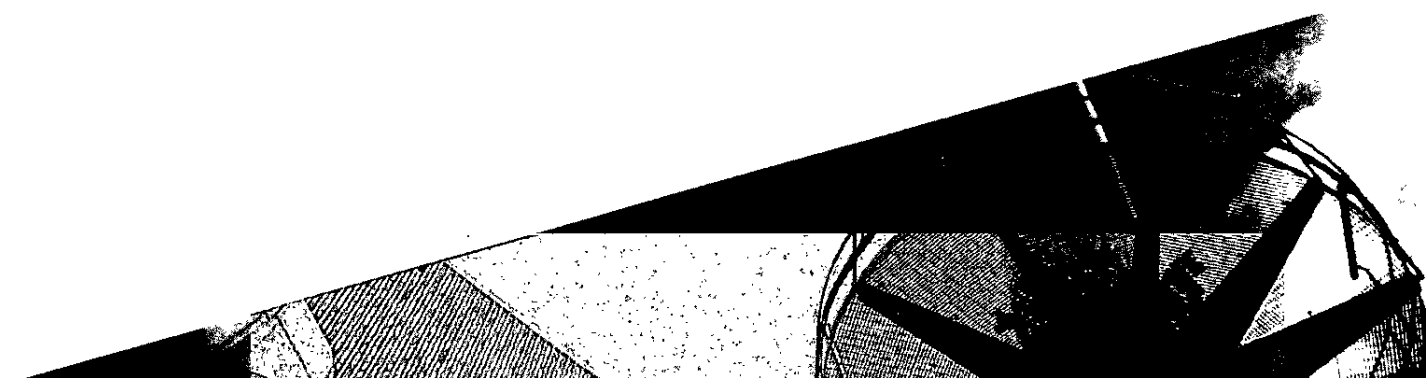
Group profit and loss account for the year ended 30 June 2017

	Note	2017 £'000	2016 £'000
Turnover	1	293,126	225,857
Cost of sales		(141,452)	(103,110)
Gross profit		151,674	122,747
Administrative expenses		(147,695)	(138,544)
Other income		106	806
Operating profit/(loss)	2	4,085	(14,998)
Income from other fixed asset investments		1,594	1,812
Share of operating loss in joint venture		-	(40)
Profit on disposal of subsidiaries		3,423	-
Interest receivable and similar income	5	2,318	576
Interest payable and similar charges	5	(37,532)	(30,320)
Loss on ordinary activities before taxation		(26,112)	(43,025)
Tax on loss/profit on ordinary activities	6	(2,690)	(327)
Loss profit for the financial year		(28,802)	(43,352)

All results relate to continuing activities

Group statement of comprehensive income for the year ended 30 June 2017

	Note	2017 £'000	2016 £'000
Loss for the financial year		(28,802)	(43,352)
Other comprehensive income/(expense)			
Movements in market value of cash flow hedges		7,570	(33,828)
Foreign exchange gain/loss on retranslation of investments		(100)	(1,125)
Other comprehensive income/(expense) for the year		7,470	(34,953)
Total comprehensive expense for the year		(21,332)	(78,305)



4 | FINANCIAL STATEMENTS 30 JUNE 2017

Group balance sheet as at 30 June 2017

	Note	2017 £'000	2016 £'000
Fixed assets			
Goodwill	7	460,206	430,545
Intangible assets	8	965,832	935,517
Investments	9	4,260	3,415
		1,430,298	1,369,477
Current assets			
Stocks	10	61,889	15,235
Debtors, including £18,773,000 (2016: £21,795,000) due after more than one year	11	596,178	608,711
Cash at bank and in hand		214,779	163,777
		872,846	787,723
Creditors: amounts falling due within one year	12	(77,887)	(19,740)
Net current assets		794,959	868,212
Total assets less current liabilities		2,225,257	1,092,915
Creditors: amounts falling due after more than one year	13	(791,570)	(69,740)
Provisions for liabilities	14	(18,647)	(6,040)
Net assets		1,415,040	1,017,135
Capital and reserves			
Called up share capital	15	115,487	103,991
Share premium account		1,318,193	1,170,645
Cash flow hedge reserve		(25,701)	(55,241)
Profit and loss account		7,061	38,800
Total shareholders' funds		1,415,040	1,267,195

These consolidated financial statements on pages 49 to 72 were approved by the board of directors on 19 December 2017 and are signed on their behalf by



PS Latham

Director

Registered number: 06447418

4 | FINANCIAL STATEMENTS 30 JUNE 2017

Company balance sheet as at 30 June 2017

	Note	2017 £'000	2016 £'000
Fixed assets			
Investments	9	843,606	16,507
		843,606	16,507
Current assets			
Debtors, including £187,735,000 (2016: 127,435,000) due after more than one year	11	527,918	1,219,200
Cash at bank and in hand		126,828	39,366
		654,746	1,258,566
Creditors: amounts falling due within one year	12	(9,870)	(12,762)
Net current assets		644,876	1,245,796
Net assets		1,488,482	1,262,296
Capital and reserves			
Called up share capital		115,487	133,971
Share premium account	15	1,318,193	1,170,446
Profit and loss account		54,802	12,141
Total shareholders' funds		1,488,482	1,262,296

The Company has elected to take the exemption under section 408 of the Companies Act 2006 not to present the Company profit and loss statement. The profit in the financial year dealt with in our financial statements of the Company was £169,430 (2016: loss of £97,367,000).

These financial statements on pages 29 to 72 were approved by the board of directors on 19 December 2017 and are signed on their behalf by:



PS Latham
Director



4 FINANCIAL STATEMENTS TO JUNE 2017

Group statement of changes in equity for the year ended 30 June 2017

	Called up share capital	Share premium account	Cash flow hedge reserve	Profit and loss account	Total shareholders' funds
	£'000	£'000	£'000	£'000	£'000
Balance as at 1 July 2016	89,936	993,003	543	8,740	1,153,629
Loss for the financial year	-	-	-	(43,332)	(43,332)
Changes in market value of cash flow hedges	-	-	5,630	-	5,630
Foreign exchange loss on retranslation of investments	-	-	-	(100)	(100)
Other comprehensive expense for the year	-	-	7,570	(100)	7,470
Total comprehensive income/ expense for the year	-	-	7,570	(43,432)	(35,862)
Shares issued during the year	15,155	198,643	-	-	213,798
Balance as at 30 June 2017	105,091	1,191,646	(25,271)	5,308	1,275,774
Balance as at 1 July 2016	103,991	1,170,446	(33,271)	35,963	1,277,129
Loss for the financial year	-	-	-	(28,802)	(28,802)
Changes in market value of cash flow hedges	-	-	5,630	-	5,630
Foreign exchange loss on retranslation of investments	-	-	-	(100)	(100)
Other	-	-	1,940	-	1,940
Other comprehensive expense for the year	-	-	7,570	(100)	7,470
Total comprehensive income/ (expense) for the year	-	-	7,570	(28,902)	(21,332)
Shares issued during the year	11,496	147,747	-	-	159,243
Balance as at 30 June 2017	115,487	1,318,193	(25,701)	7,061	1,415,040



4 | FINANCIAL STATEMENTS 30 JUNE 2017

Company statement of changes in equity for the year ended 30 June 2017

	Called up share capital	Share premium account	Profit and loss account	Total shareholders' funds
	£000	£000	£000	£'000
Balance as at 1 July 2016	88,836	983,873	85,243	1,157,882
Loss for the financial year and total comprehensive income	-	-	(9,384)	(9,384)
Shares issued during the year	15,158	186,643	-	201,798
Balance as at 30 June 2016	103,991	1,170,446	(12,141)	1,262,296
Balance as at 1 July 2016	103,991	1,170,446	(12,141)	1,262,296
Profit for the financial year and total comprehensive income	-	-	66,943	66,943
Shares issued during the year	11,496	147,747	-	159,243
Balance as at 30 June 2017	115,487	1,318,193	54,802	1,488,482



4 FINANCIAL STATEMENTS 30 JUNE 2017

Group statement of cash flows for the year ended 30 June 2017

	2017	2016
	£'000	£'000
Net cash from operating activities	(5,715)	468,523
Taxation received/(paid)	2,545	(5,408)
Net cash (used in)/generated from operating activities	(3,170)	463,115
Cash flow from investing activities		
Purchase of subsidiaries, undertakings, intangible assets, etc.	(97,132)	(250,187)
Sale of subsidiary undertakings	29,098	-
Purchase of tangible fixed assets	(48,982)	(98,525)
Sale of tangible fixed assets	19,278	-
Purchase of unlisted and other investments	(92,153)	(125,932)
Sale of unlisted and other investments	105,263	130,318
Interest received	134	526
Income from investments	1,706	1,767
Net cash used in investing activities	(82,788)	(255,807)
Cash flow from financing activities		
Proceeds from financing	41,403	(400,852)
Interest paid	(33,875)	(23,800)
Proceeds from share issue	159,242	7,017,098
Net cash generated from/(used in) financing activities	166,770	(207,600)
Net increase/(decrease) in cash and cash equivalents	80,812	(224,644)
Cash and cash equivalents at the beginning of the year	133,737	176,188
Exchange gains on cash and cash equivalents	230	23
Cash and cash equivalents at the end of the year	214,779	153,437





4 | FINANCIAL STATEMENTS 30 JUNE 2017

Statement of accounting policies

Company information

The Company is a private company, limited by shares, incorporated and domiciled in England, the United Kingdom and registered under company number 25447318. The address of the company's head office is The Farm, 33, Green, London, EC1N 2PL.

Statement of compliance

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

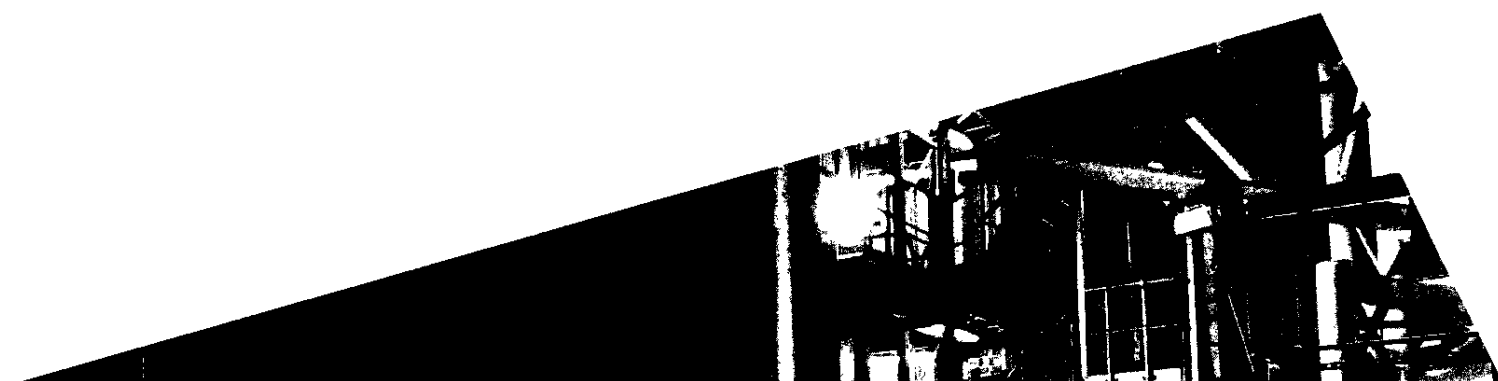
Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, on the going concern basis, 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 Company's financial and operational dependency on these financial statements is set out below.

The consolidated financial statements include the results of all subsidiaries owned by Fern Trading Limited as stated in note 9 of the annual financial statements. Certain of these subsidiaries, which are listed below, have taken the exemption from an audit for the year ended 30 June 2017 by virtue of s479A of Companies Act 2006. In order to show these subsidiaries taken the audit exemption, the parent Fern Trading Limited has given a statutory declaration, in accordance with s473B of Companies Act 2006, and the outstanding liabilities as at 30 June 2017, of the subsidiaries listed below, further details of which have provided in note 10. The subsidiaries which have taken a exemption from an audit for the year ended 30 June 2017 by virtue of s479A Companies Act 2006 are:

Fern Power Company
Fern Energy Holdings Limited
Fern Energy Limited
Sals Energy Holdings Limited
Sals Energy Limited
Elos Energy Holdings Limited
Elos Energy Holdings 3 Limited
Elos Energy DSS Holdings 1 Limited
Elos Energy DSS Holdings 2 Limited
Elos Energy DSS Holdings 3 Limited
Elos Renewable Energy Limited
Eucalyptus Energy Holdings Limited

Eucalyptus Energy Limited
Roemore Energy Limited
Farm Leasing Development Company Limited
Beisane Energy Limited
Portros Solar Holdings Limited
Portros Solar Limited
Fern Landcare Portros Limited
Rangeford Retirement Living Holdings Limited
Rangeford Properties Limited
Elos Energy Holdings 2 Limited
Elos Energy 2 Limited





4 FINANCIAL STATEMENTS 30 JUNE 2017

Statement of accounting policies (continued)

Basis of consolidation

The financial statements consolidate financial statements of the Company and all of its subsidiary undertakings, unless a relevant financial policy has been adopted for an exemption in accordance with the Company's financial disclosures for consolidated profit and loss account.

Consolidation of the Group involves consolidation of long-term assets and liabilities, as well as equity and the elimination of intercompany transactions. Financial statements are prepared using the consolidated financial statements. Joint ventures are accounted for using the equity method.

Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity to claim 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 exemption:

- (i) from preparing a statement of cash flows – in the past, the Company was 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 statement disclosures required under FRS 102 paragraphs 11.63 and 11.68A and paragraphs 12.26 to 12.29 as the information is provided in related consolidated financial statement disclosures
- (iii) from disclosing the company key management personnel compensation disclosed by FRS 102 paragraph 15.7

Going concern

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

Turnover

Form Energy Limited operates four main classes of business. Revenue is derived from the following limited liability subsidiaries, of which it is the sole shareholder by the following:

- solar farms, wind generating assets and reserve power plants that generate turnover from the sale of electricity that they generate. Any unrecognised income is accrued in the period when it is generated
- biomass and anaerobic sites that generate turnover when electricity generated is exported to third party customers, or from from recycled renewable energy generation certificates (Rcys or RECs) is recognised when the amount is known with reasonable certainty. Turnover generated from the sale of Rcys is recognised on physical delivery
- a renewable energy development fee, provided in return for revenue from the sale of renewable energy property. Revenue is recognised when it is significant and towards the payment of the fee has passed to the buyer (usually on completion of construction). The amount of revenue can be recognised in full and it is probable that the economic benefits associated with the sale, section 4.1.1(a) of the entity.

Form's four main classes of business are money lending business in the United Kingdom. Turnover represents arrangement fees and can include the initial value added tax and is recognised when all of the relevant services are provided. Form also specialises in the sale of film rights and film rights music.



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Statement of accounting policies (continued)

Tangible fixed assets and depreciation

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 life. Depreciation commences from the date an asset is brought into service, and intangible assets with a period of less than one year are not depreciated. The estimated useful lives are as follows:

Buildings	2% straight line
Leasehold property	4% straight line
Power stations	4% and 5% straight line
Plant and machinery	4% to 25% straight line

The directors annually review their disclosures regarding assessment to determine that there are no other material net liabilities or contingencies arising from the commitment to decommission the biomass power stations.

Investments

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

Cash

Cash includes cash in hand and deposits repayable on demand.

Leases

At each reporting date, 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.

Stocks

Some parts are valued at the lower of cost and net realisable value. Where necessary, provision is made for obsolete, slow moving and defective stock.

Fuel stocks (B3M and Inter) are valued on an average cost basis over 1 to 2 months and provision for unusable litter is reviewed monthly and applied to off-life stock.

Fuel stocks (saw) has been valued at unit in stock at cost per tonne of steam. A provision for unusable stocks is permitted on an individual stock basis and is reviewed monthly. Stocks are currently used on a first in, first out (FIFO) basis by age of saw.

Stocks of ash at E-profits are valued at the lower of cost and net realisable value at the Group.

Stocks of property development (MP) are valued at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present locations and condition.

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

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Statement of accounting policies (continued)

Deferred taxation

Provisions are made for deferred tax assets and liabilities arising from all taxable differences between the interpretation of past and present accounting standards and statutory provisions for tax purposes.

Net deferred tax assets are recognised only if it is more probable than not that there will be sufficient taxable profits against which the future reversals of the temporary differences can be utilised.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the related expenses are incurred or revenues.

Deferred tax assets and liabilities are disclosed.

Business combinations and goodwill

Acquisitions of subsidiaries are accounted for by applying the purchase method.

The identifiable intangible assets acquired are valued at the consideration paid, adjusted for assumed and readily identifiable intangible assets plus the costs directly attributable to the business combination. Where no intangible is recognised in the statement of financial position at the date of each financial year.

On acquisition of a business, fair values are attributed to the identifiable intangible assets and contingent liabilities. Where 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 of the Group's identifiable intangible assets 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. Where the Group is unable to make a reliable estimate of useful life, goodwill is amortised over a period not exceeding 10 years. Goodwill is assessed for impairment where there are indicators of impairment and any impairment is charged to the income statement. Reversals of impairment are recognised where the reasons for the impairment no longer apply.

Accrued income

Accrued income on loans is recognised at the rate of interest set out in the loan contracts. Where no contract rate is accrued over the period that has been generated.

Deferred income

Deferred income is recognised in accordance with the terms set out in the contract and is recognised in revenue.

4| FINANCIAL STATEMENTS 30 JUNE 2017

Statement of accounting policies (continued)

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the profit and loss account and statement of comprehensive income.

Debt issue costs

Issue costs associated with senior or secured notes are capitalised and noted off against the original amounts. The costs are amortised over the five year term of the notes in proportion to amounts outstanding.

Financial instruments

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

Financial assets

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

Such assets are subsequently carried at amortised cost using the effective interest method.

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

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.



4 | FINANCIAL STATEMENTS 30 JUNE 2017

Statement of accounting policies (continued)

Financial instruments

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities. Payments are due within one year or less. Financials are presented as net financial 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 (settled) and the contractual obligation is discharged, cancelled or expires.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Hedging

The Group applies hedge accounting for the sector's enterprise, not 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 short-term 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 income statement.

The gain or loss recognised in other comprehensive income is reclassified to the income statement 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 item or instrument is derecognised or the hedging instrument is terminated.

Taxation

Tax is not recognised in the statement of income and retained earnings, except that a deferred tax liability or deferred tax asset and expense recognised as other comprehensive income or total item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

Deferred tax assets 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 liabilities are reversed if and when all conditions for retaining associated tax allowances have been met.



4 | FINANCIAL STATEMENTS 30 JUNE 2017

Statement of accounting policies (continued)

Taxation (continued)

Deferred tax liabilities 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 income tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Related party transactions

The Group discloses transactions with related parties which are not similarly owned within the same Group. Transactions within the Group need not be disclosed under IFRS 24.14, where appropriate, transactions of a similar nature are aggregated unless, in the opinion of the directors, separate disclosure is necessary to understand the effect of the transactions on the Group financial statements.

Transaction costs

Transaction costs relating to debt financing are spread over the life of the debt using the effective interest method with the balance shown net in the financial statements.

Judgements in applying accounting policies and key sources of estimation uncertainty

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.

(a) Critical judgements in applying the Group's accounting policies

There are no critical judgements in applying the Group's accounting policies.

(b) Key sources of estimation uncertainty

(i) Impairment of goodwill and investments

The Group considers whether goodwill is impaired and the Company considers whether investments are impaired. Where an indication of impairment is identified the estimation of recoverable value requires estimation of the recoverable value of the cash generating units (CGUs). This requires estimation of the future cash flows from the CGUs and also selection of appropriate discount rates in order to calculate the net present value of those cash flows.

(ii) Fair values on acquisition

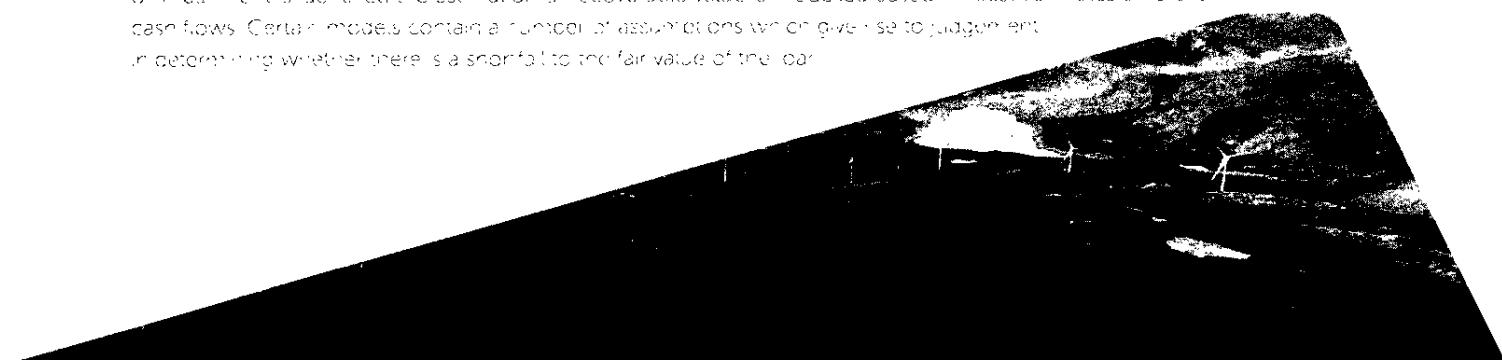
The fair value of assets and liabilities acquired in the acquisitions detailed in note 24 are considered to be a key accounting estimate.

(iii) Cash flow hedges

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 term.

(iv) Loan impairment (note 11)

The Group considers whether loans are impaired on a regular basis throughout the year. Where an indication of impairment is identified the estimation of recoverable value is modelled based on best estimates of future cash flows. Certain models contain a number of assumptions which give rise to judgement in determining whether there is a shortfall to the fair value of the loan.



4 | FINANCIAL STATEMENTS 30 JUNE 2017

Notes to the financial statements for the year ended 30 June 2017

1 Turnover

	2017	2016
£'000		
Turnover	62,923	55,184
Solar reserve and wind power energy income	107,024	84,183
Sale of renewables	-	20,071
Biomass and landfill gas energy income	117,178	78,890
Retirement wage income	6,001	-
	293,126	238,328

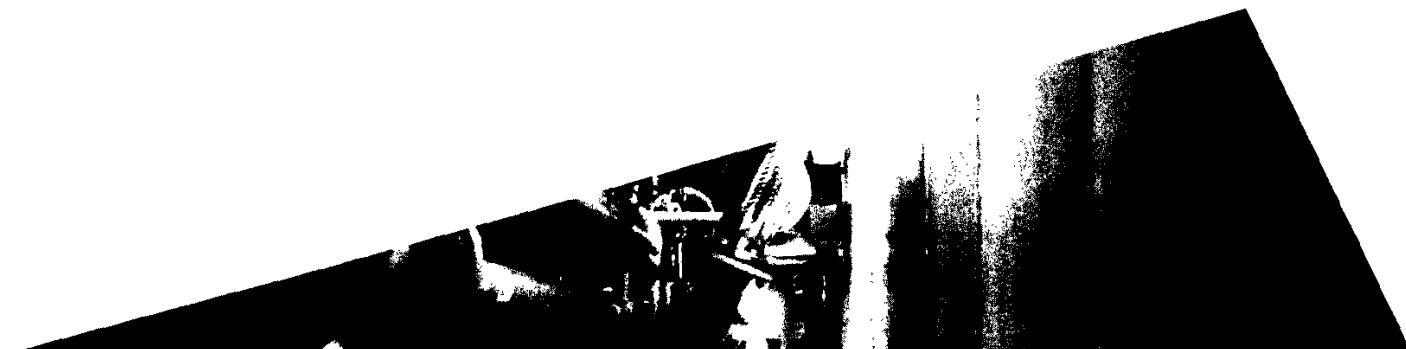
The geographical analysis of turnover by destination is as follows.

	2017	2016
£'000		
United Kingdom	283,301	220,009
Rest of Europe	9,825	5,848
	293,126	225,857

2 Other income

This is stated after charging/(crediting).

	2017	2016
£'000		
Grants from the Department for Business, Innovation and Skills	23,957	37,559
Depreciation on tangible fixed assets (note 8)	61,891	42,679
Solar reserve grant as an expense (note 10)	42,403	40,361
Auditors' remuneration – Company and the group's consolidated financial statements	136	124
Auditors' remuneration – audit of Company's subsidiaries	530	500
Auditors' remuneration – non audit services	94	253
Auditors' remuneration – taxation, compliance services	173	164
Office expenses (including travel)	(577)	1,005
Operating lease rentals	17,494	4,777





4| FINANCIAL STATEMENTS 30 JUNE 2017

Notes to the financial statements for the year ended 30 June 2017

(continued)

3 Employee costs

	2017	2016
	£'000	£'000
Wages and salaries	11,923	7,924
Social security costs	1,263	853
Other pension costs	387	252
	13,573	9,029

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

	2017	2016
	Number	Number
Production	258	199
Administration	70	61
Directors	3	3
	331	264

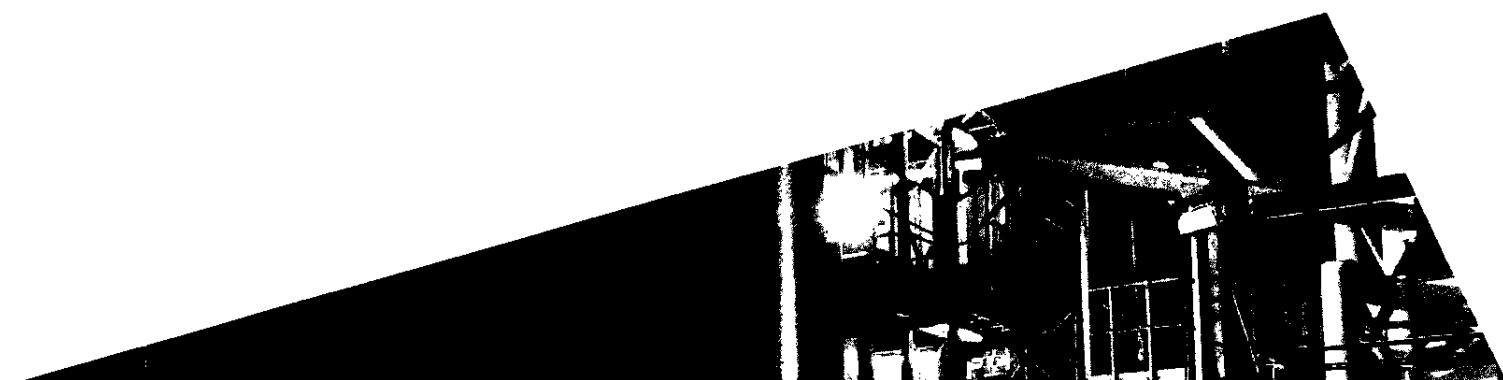
4 Pension contributions

	2017	2016
	£'000	£'000
Employer's costs	93	75

During the year no pension contributions were made in respect of the directors (2016: none).

Key management personnel compensation paid by the Group during the year was:

	2017	2016
	£'000	£'000
Salary and contractual benefits	352	464
Post-employment benefits	9	6
	361	470



4 FINANCIAL STATEMENTS 30 JUNE 2017

Notes to the financial statements for the year ended 30 June 2017

(continued)

5 Interest receivable

Interest receivable and similar income	2017	2016
	£'000	£'000
Interest receivable	134	520
Share of net derivative transactions	2,184	—
	2,318	520

Interest receivable and similar income	2017	2016
	£'000	£'000
Interest receivable	23,619	15,979
Investment bank deposits	10,256	8,258
Amortisation of issue costs on bank borrowings	2,268	4,152
Amortisation of issue costs on bank deposits	1,045	861
Interest on derivative financial instruments	344	1,430
	37,532	30,320

6 Tax charge on loss on ordinary activities

(a) Analysis of charge in year

	2017	2016
	£'000	£'000
Current taxation:		
UK corporation tax charge in the current year	210	2,239
Foreign corporation tax credit	103	71
Adjustments in respect of prior periods	130	309
Total current taxation	443	2,619
Deferred taxation:		
Decrease in deferred tax arising on reversal	1,835	(1,779)
Adjustment in deferred tax on prior periods	1,822	(534)
Effect of change in tax rates	(1,410)	21
Unchanged deferred tax	2,247	(2,292)
Tax charge on loss on ordinary activities	2,690	527



4 | FINANCIAL STATEMENTS 30 JUNE 2017

Notes to the financial statements for the year ended 30 June 2017

(continued)

6 Taxation (continued) – Income tax (continued)

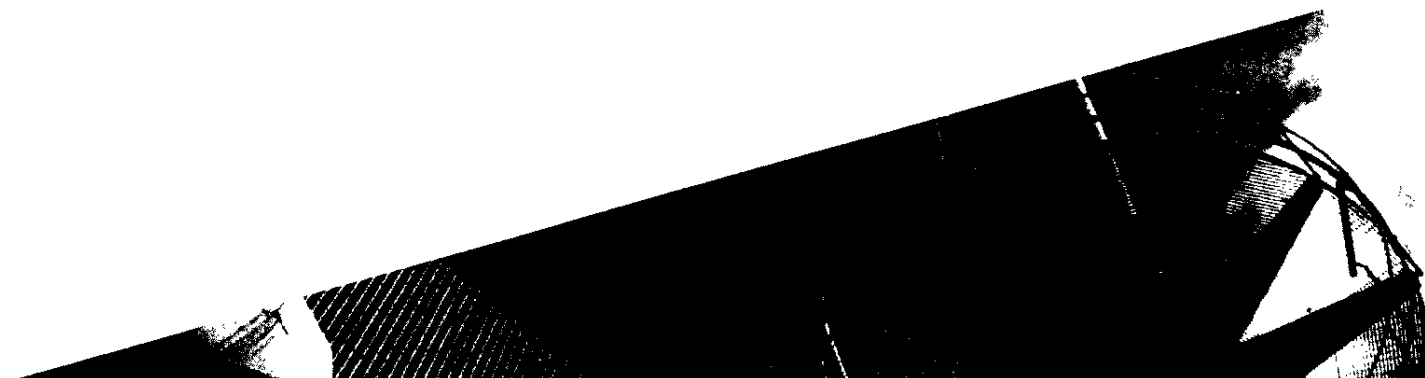
(b) Factors affecting tax charge for the year

The tax assessed for the year is higher (2016: higher) than the standard rate of corporation tax applicable in the UK of 19.75% (2016: 20.00%) in the following periods:

	2017	2016
	£'000	£'000
Loss on ordinary activities before taxation	(26,112)	(43,025)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.75% (2016: 20.00%)	(5,113)	(8,605)
Effects of:		
Excess of corporation tax for tax year 2016	14,899	8,317
Current tax credit recognised	962	1,369
Excess of corporation tax for tax year 2017	(9,489)	(2,035)
Excess of corporation tax for tax year 2017 (continued)	-	(3,241)
Unrelieved tax relief	-	(121)
Adjustments in respect of prior periods	1,952	(2,251)
Effects of change in tax rates	(521)	21
Total tax charge for the year	2,690	327

(c) Factors that may affect future tax charge

The main rate of Corporation Tax in the UK reduced from 20% to 19% with effect from 1 April 2017. Accordingly, the tax rate applied for this accounting year is 19.75%. A reduction in the main rate of corporation tax to 17% from 1 April 2017 was enacted during the period. Consequently, deferred tax has been calculated at the period-end using a tax rate of 17%.



4 FINANCIAL STATEMENTS 30 JUNE 2017

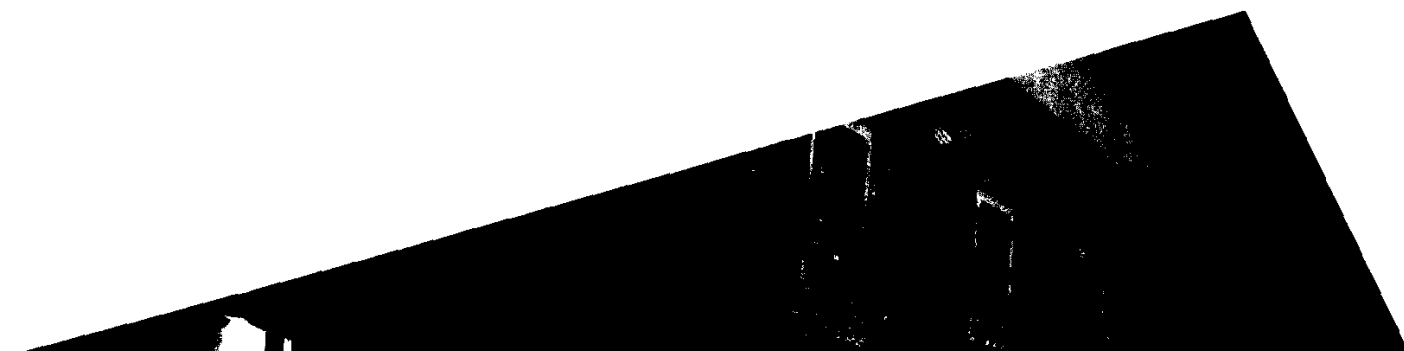
Notes to the financial statements for the year ended 30 June 2017

(continued)

7

	Goodwill
	£'000
Group	
Cost	
At 1 July 2016	425,157
Additions	82,127
Disposals	(6,100)
Gain on revaluation	1,357
At 30 June 2017	503,417
Accumulated amortisation	
At 1 July 2016	19,812
Charge for year	1,258
Reversal for impairment	(24,957)
At 30 June 2017	43,211
Net book value	
At 30 June 2017	460,206
At 30 June 2016	405,345

Goodwill is recognised as an intangible asset and is measured as the excess of the cost of an acquisition over the fair value of the identifiable intangible assets acquired.





4 | FINANCIAL STATEMENTS 30 JUNE 2017

Notes to the financial statements for the year ended 30 June 2017

(continued)

8 Property, plant and equipment

	Land and buildings	Power stations	Plant and machinery	Assets under construction	Total
Group	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 July 2016	4,757	136,736	813,688	172	975,353
Additions	135	1,735	37,577	9,541	48,987
Acquisitions	-	-	101,602	-	101,602
Transfers	-	131	41	(172)	-
Disposals	-	-	(25,934)	-	(25,934)
At 30 June 2017	4,892	158,603	926,967	9,541	1,100,003
Accumulated depreciation					
At 1 July 2016	110	24,858	38,772	-	66,750
Charge for the year	64	15,014	40,813	-	61,891
Amortisation	-	-	6,857	-	6,857
Disposals	-	-	(1,357)	-	(1,327)
At 30 June 2017	174	42,882	91,115	-	134,171
Net book value					
At 30 June 2017	4,718	115,721	835,852	9,541	965,832
At 30 June 2016	4,647	128,863	774,916	172	908,603





4) FINANCIAL STATEMENTS 30 JUNE 2017

Notes to the financial statements for the year ended 30 June 2017

(continued)

9

	Unlisted investments	Other investments	Total
Group	£'000	£'000	£'000
Cost and net book value			
At 1 July 2016	16,500	2,943	39,405
Additions	9,103	-	92,163
Disposals	(10,263)	(11,507)	(126,528)
Impairments	-	(470)	(3,470)
At 30 June 2017	3,390	870	4,260

Other investments represent the Group's holdings of deferred shares in a number of companies. An impairment was recognised during the year, predominantly due to reductions in energy prices, which have impacted the valuation of the deferred shares.

	Subsidiary undertakings	Unlisted investments	Total
Group	£'000	£'000	£'000
Cost and net book value			
At 1 July 2016	-	16,500	16,500
Additions	154,530	32,153	276,683
Disposals	-	(105,263)	(105,263)
Issuance of shares in conversion to equity	558,130	-	558,760
Reversal of impairments	8,915	-	8,918
Impairments	(21,892)	-	(211,892)
At 30 June 2017	840,216	3,390	843,606

Unlisted investments comprise the Company's and the Group's holding in the members (aerials, fords, etc.) a money-lending business. The company founded Torco Ltd in October 2017 with the intention of conducting a private prior to future trade for the partnership. The company has not been treated as a subsidiary undertaking and its results have not been consolidated as, in the opinion of the directors, Torco Trading Limited is unable to exert significant influence over its activities.

The Company has historically financed its operations with shareholder loans. Following a review of financing in the Group during the year, the shareholder loans between the Company and the intermediate holding companies in the Group have been repaid. The funding of these companies has been replaced with equity funding of engines from the subsidiary companies and parent corporation.



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Notes to the financial statements for the year ended 30 June 2017

(continued)

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(continued)

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Notes to the financial statements for the year ended 30 June 2017
(continued)[illegible]

4 FINANCIAL STATEMENTS 30 JUNE 2015**Notes to the financial statements for the year ended 30 June 2017**

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[illegible]

Notes to the financial statements for the year ended 30 June 2017
(continued)[illegible]

(continued)

Name	Country of incorporation	Class of shares	Holding	Principal activity
Greenfield Energy Limited	UK	Ordinary	100%	Energy generation
Whitefield Energy Limited	UK	Ordinary	100%	Energy generation
Redfield Energy Limited	UK	Ordinary	100%	Energy generation
Bluefield Energy Limited	UK	Ordinary	100%	Energy generation
Blackfield Energy Limited	UK	Ordinary	100%	Energy generation
Greyfield Energy Limited	UK	Ordinary	100%	Energy generation
Brownfield Energy Limited	UK	Ordinary	100%	Energy generation
Pinkfield Energy Limited	UK	Ordinary	100%	Dominant company
Goldfield Energy Limited	UK	Ordinary	100%	Energy generation
Silverfield Energy Limited	UK	Ordinary	100%	Dominant company
Alumina Energy Limited	UK	Ordinary	100%	Energy generation
Indium Energy Limited	UK	Ordinary	100%	Energy generation
Vanadium Energy Limited	UK	Ordinary	100%	Dominant company
Antimony Energy Limited	UK	Ordinary	100%	Energy generation
Tellurium Energy Limited	UK	Ordinary	100%	Energy generation
Thallium Energy Limited	UK	Ordinary	100%	Dominant company
Lead Energy Limited	UK	Ordinary	100%	Dominant company
Mercury Energy Limited	UK	Ordinary	100%	Dominant company
Cadmium Energy Limited	UK	Ordinary	100%	Dominant company
Barium Energy Limited	UK	Ordinary	100%	Energy generation
Strontium Energy Limited	UK	Ordinary	100%	Energy generation
Calcium Energy Limited	UK	Ordinary	100%	Holding company
Sodium Energy Limited	UK	Ordinary	100%	Holding company
Magnesium Energy Limited	UK	Ordinary	100%	Energy project development and management services
Aluminum Energy Limited	UK	Ordinary	100%	Energy generation
Zinc Energy Limited	UK	Ordinary	100%	Energy generation
Copper Energy Limited	UK	Ordinary	100%	Energy generation



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Notes to the financial statements for the year ended 30 June 2017

(continued)

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d) $\frac{1}{\sqrt{2}} \begin{pmatrix} 1 & -i \\ i & 1 \end{pmatrix}$

Figure 1. The effect of the concentration of the *Ag* on the *Ag* adsorption capacity of the *Ag*-*Ag*2S-*Ag*2S2O3-*Ag*2S2O4-*Ag*2S2O6-*Ag*2S2O8-*Ag*2S2O10-*Ag*2S2O12-*Ag*2S2O14-*Ag*2S2O16-*Ag*2S2O18-*Ag*2S2O20-*Ag*2S2O22-*Ag*2S2O24-*Ag*2S2O26-*Ag*2S2O28-*Ag*2S2O30-*Ag*2S2O32-*Ag*2S2O34-*Ag*2S2O36-*Ag*2S2O38-*Ag*2S2O40-*Ag*2S2O42-*Ag*2S2O44-*Ag*2S2O46-*Ag*2S2O48-*Ag*2S2O50-*Ag*2S2O52-*Ag*2S2O54-*Ag*2S2O56-*Ag*2S2O58-*Ag*2S2O60-*Ag*2S2O62-*Ag*2S2O64-*Ag*2S2O66-*Ag*2S2O68-*Ag*2S2O70-*Ag*2S2O72-*Ag*2S2O74-*Ag*2S2O76-*Ag*2S2O78-*Ag*2S2O80-*Ag*2S2O82-*Ag*2S2O84-*Ag*2S2O86-*Ag*2S2O88-*Ag*2S2O90-*Ag*2S2O92-*Ag*2S2O94-*Ag*2S2O96-*Ag*2S2O98-*Ag*2S2O100-*Ag*2S2O102-*Ag*2S2O104-*Ag*2S2O106-*Ag*2S2O108-*Ag*2S2O110-*Ag*2S2O112-*Ag*2S2O114-*Ag*2S2O116-*Ag*2S2O118-*Ag*2S2O120-*Ag*2S2O122-*Ag*2S2O124-*Ag*2S2O126-*Ag*2S2O128-*Ag*2S2O130-*Ag*2S2O132-*Ag*2S2O134-*Ag*2S2O136-*Ag*2S2O138-*Ag*2S2O140-*Ag*2S2O142-*Ag*2S2O144-*Ag*2S2O146-*Ag*2S2O148-*Ag*2S2O150-*Ag*2S2O152-*Ag*2S2O154-*Ag*2S2O156-*Ag*2S2O158-*Ag*2S2O160-*Ag*2S2O162-*Ag*2S2O164-*Ag*2S2O166-*Ag*2S2O168-*Ag*2S2O170-*Ag*2S2O172-*Ag*2S2O174-*Ag*2S2O176-*Ag*2S2O178-*Ag*2S2O180-*Ag*2S2O182-*Ag*2S2O184-*Ag*2S2O186-*Ag*2S2O188-*Ag*2S2O190-*Ag*2S2O192-*Ag*2S2O194-*Ag*2S2O196-*Ag*2S2O198-*Ag*2S2O200-*Ag*2S2O202-*Ag*2S2O204-*Ag*2S2O206-*Ag*2S2O208-*Ag*2S2O210-*Ag*2S2O212-*Ag*2S2O214-*Ag*2S2O216-*Ag*2S2O218-*Ag*2S2O220-*Ag*2S2O222-*Ag*2S2O224-*Ag*2S2O226-*Ag*2S2O228-*Ag*2S2O230-*Ag*2S2O232-*Ag*2S2O234-*Ag*2S2O236-*Ag*2S2O238-*Ag*2S2O240-*Ag*2S2O242-*Ag*2S2O244-*Ag*2S2O246-*Ag*2S2O248-*Ag*2S2O250-*Ag*2S2O252-*Ag*2S2O254-*Ag*2S2O256-*Ag*2S2O258-*Ag*2S2O260-*Ag*2S2O262-*Ag*2S2O264-*Ag*2S2O266-*Ag*2S2O268-*Ag*2S2O270-*Ag*2S2O272-*Ag*2S2O274-*Ag*2S2O276-*Ag*2S2O278-*Ag*2S2O280-*Ag*2S2O282-*Ag*2S2O284-*Ag*2S2O286-*Ag*2S2O288-*Ag*2S2O290-*Ag*2S2O292-*Ag*2S2O294-*Ag*2S2O296-*Ag*2S2O298-*Ag*2S2O300-*Ag*2S2O302-*Ag*2S2O304-*Ag*2S2O306-*Ag*2S2O308-*Ag*2S2O310-*Ag*2S2O312-*Ag*2S2O314-*Ag*2S2O316-*Ag*2S2O318-*Ag*2S2O320-*Ag*2S2O322-*Ag*2S2O324-*Ag*2S2O326-*Ag*2S2O328-*Ag*2S2O330-*Ag*2S2O332-*Ag*2S2O334-*Ag*2S2O336-*Ag*2S2O338-*Ag*2S2O340-*Ag*2S2O342-*Ag*2S2O344-*Ag*2S2O346-*Ag*2S2O348-*Ag*2S2O350-*Ag*2S2O352-*Ag*2S2O354-*Ag*2S2O356-*Ag*2S2O358-*Ag*2S2O360-*Ag*2S2O362-*Ag*2S2O364-*Ag*2S2O366-*Ag*2S2O368-*Ag*2S2O370-*Ag*2S2O372-*Ag*2S2O374-*Ag*2S2O376-*Ag*2S2O378-*Ag*2S2O380-*Ag*2S2O382-*Ag*2S2O384-*Ag*2S2O386-*Ag*2S2O388-*Ag*2S2O390-*Ag*2S2O392-*Ag*2S2O394-*Ag*2S2O396-*Ag*2S2O398-*Ag*2S2O400-*Ag*2S2O402-*Ag*2S2O404-*Ag*2S2O406-*Ag*2S2O408-*Ag*2S2O410-*Ag*2S2O412-*Ag*2S2O414-*Ag*2S2O416-*Ag*2S2O418-*Ag*2S2O420-*Ag*2S2O422-*Ag*2S2O424-*Ag*2S2O426-*Ag*2S2O428-*Ag*2S2O430-*Ag*2S2O432-*Ag*2S2O434-*Ag*2S2O436-*Ag*2S2O438-*Ag*2S2O440-*Ag*2S2O442-*Ag*2S2O444-*Ag*2S2O446-*Ag*2S2O448-*Ag*2S2O450-*Ag*2S2O452-*Ag*2S2O454-*Ag*2S2O456-*Ag*2S2O458-*Ag*2S2O460-*Ag*2S2O462-*Ag*2S2O464-*Ag*2S2O466-*Ag*2S2O468-*Ag*2S2O470-*Ag*2S2O472-*Ag*2S2O474-*Ag*2S2O476-*Ag*2S2O478-*Ag*2S2O480-*Ag*2S2O482-*Ag*2S2O484-*Ag*2S2O486-*Ag*2S2O488-*Ag*2S2O490-*Ag*2S2O492-*Ag*2S2O494-*Ag*2S2O496-*Ag*2S2O498-*Ag*2S2O500-*Ag*2S2O502-*Ag*2S2O504-*Ag*2S2O506-*Ag*2S2O508-*Ag*2S2O510-*Ag*2S2O512-*Ag*2S2O514-*Ag*2S2O516-*Ag*2S2O518-*Ag*2S2O520-*Ag*2S2O522-*Ag*2S2O524-*Ag*2S2O526-*Ag*2S2O528-*Ag*2S2O530-*Ag*2S2O532-*Ag*2S2O534-*Ag*2S2O536-*Ag*2S2O538-*Ag*2S2O540-*Ag*2S2O542-*Ag*2S2O544-*Ag*2S2O546-

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1. *Chlorophyll a* and *Chlorophyll b* were determined by the method of Arar and Collins (1971).

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4 FINANCIAL STATEMENTS 30 JUNE 2017

Notes to the financial statements for the year ended 30 June 2017

(continued)

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	Group		Company	
	2017	2016	2017	2016
	£'000	£'000	£'000	£'000
Inventory	3,522	5,540	-	-
Property development	46,795	-	-	-
Fuel, spare parts and consumables	11,572	9,715	-	-
	61,889	15,255	-	-

The amount of stocks recognised as an expense during the year was £42,403,000 (2016: £49,891,000).

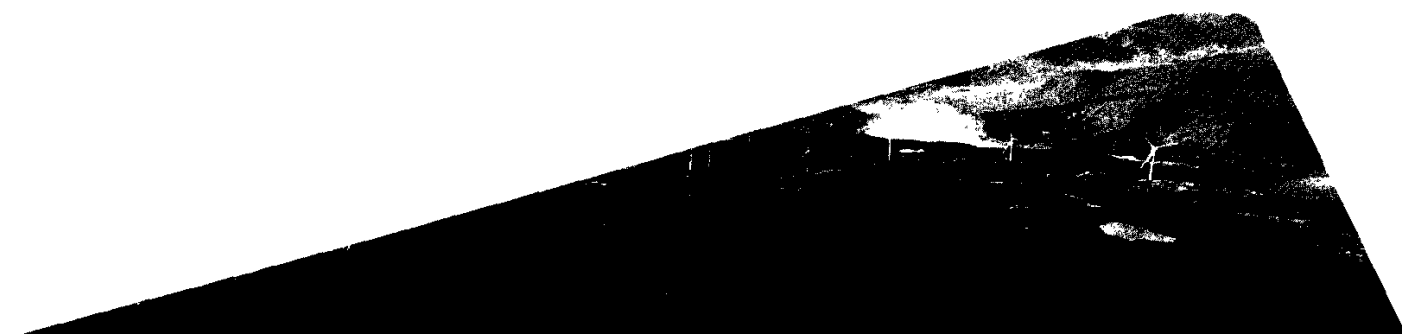
Included in the fuel, spare parts and consumables stock value is a provision of £716,000 for unusable fuel stock (2016: £149,000). Included in the ash stock value is a provision of £430,000 for slow moving stock (2016: £430,000).

On acquisition of the Rangleford Holdings Limited group (note 24) a fair value exercise was performed and an impairment of £22,739,000 was recognised on the carrying value of property development AIP.

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	Group		Company	
	2017	2016	2017	2016
	£'000	£'000	£'000	£'000
Amounts falling due after one year				
Loans and advances to customers	187,735	277,495	187,735	277,495
Amounts falling due within one year				
Loans and advances to customers	284,435	222,143	284,435	222,143
Amounts owed by group undertakings	-	-	-	667,027
Trade debtors	24,245	28,750	512	219
Other debtors	580	167	12,907	77
Corporation tax	-	2,006	2,725	4,680
Deferred tax asset	-	-	-	435
Provisions and accrued income	99,183	78,530	39,604	49,184
	596,178	608,711	527,918	1,029,200

Loans and advances to customers are stated net of provision of £17,432,000 (2016: £16,000,000).





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Notes to the financial statements for the year ended 30 June 2017

(continued)

11 Trade receivables

Amounts owed by group undertakings previously included the following loans from Fern Trading Limited to subsidiary companies. Provisions of £m (2016: £126,789,000) have been recognised against these loans which were unsecured and repayable on demand. The loans have been fully repaid in the year.

	Interest rate	2017 £'000	2016 £'000
Thermax Energy Services Limited	10.00%	-	12,508
Todayplus Energy Holdings Limited	9.00%	-	140,856
Term Energy Holdings Limited	8.00%	-	49,231
Term Energy Holdings Limited	6.70%	-	67,091
Fern Energy Holdings Limited	6.00%	-	41,630
Fern Energy Holdings Limited	5.70%	-	321,682
Fern Energy Holdings Limited	5.00%	-	34,024
		-	667,022

12 Trade receivables, other receivables and other assets

	Group		Company	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Trade receivables	27,533	13,741	3,518	2,879
Bank loans and overdrafts	19,194	14,788	-	-
Corporation tax	1,036	-	-	-
Other taxation and social security	2,275	1,154	978	927
Other creditors	5,137	43,420	625	999
Derivative financial instruments (note 17)	-	4,429	-	-
Accruals and deferred income	22,712	41,808	4,749	7,962
	77,887	119,341	9,870	12,762



4 FINANCIAL STATEMENTS 30 JUNE 2017

Notes to the financial statements for the year ended 30 June 2017

(continued)

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Financial instruments: financial liabilities

	Group		Company	
	2017	2016	2017	2016
	£'000	£'000	£'000	£'000
Financial liabilities at amortised cost	613,929	655,695	-	-
Senior secured notes	148,886	147,841	-	-
Derivative financial instruments (note 17)	28,755	33,608	-	-
	791,570	800,144	-	-

	Group		Company	
	2017	2016	2017	2016
	£'000	£'000	£'000	£'000
Bank loans	19,194	14,758	-	-
Due between 1 and 5 years	171,195	470,330	-	-
Due in more than 5 years	442,734	45,365	-	-
	633,123	530,483	-	-

The bank loans are secured against certain assets of the Group with each loan as held by the two banks shown below.

	Interest rate	2017	2016
		£'000	£'000
Metron Energy Limited	6 month LIBOR plus 2.00%	-	404,512
Zenith Energy Limited	6 month LIBOR plus 2.15%	391,551	-
Form Renewable Energy Limited	6 month LIBOR plus 1.90%	58,010	60,294
Wyde Croft Wind Farm Limited	6 month LIBOR plus 2.10%	-	71,658
Wyde Croft Wind Farm Limited	6 month LIBOR plus 1.90%	24,830	10,133
Quenemurder Wind Energy Limited	6 month LIBOR plus 1.50%	46,385	7,200
Washburn Wind Farm Limited	6 month LIBOR plus 1.50%	42,235	12,760
Clarendon Solar Park Limited	6 month LIBOR plus 4.25%	4,607	-
Adams Solar Park Limited	6 month LIBOR plus 4.25%	7,542	-
Washburn Solar Limited	6 month LIBOR plus 4.25%	6,950	-
Flora Energy 2 Limited	Average rate of 4.03%	-	34,476
Flora Energy 2 Limited	6 month LIBOR plus 1.58%	51,013	-
		633,123	530,483

The senior secured notes are repayable on 1 February 2020, bear interest at 6.75% and are guaranteed by the subsidiary group companies of Metron Renewable Energy Limited.



4| FINANCIAL STATEMENTS 30 JUNE 2017

Notes to the financial statements for the year ended 30 June 2017

(continued)

14 Decommissioning provision

	Decommissioning provision	Deferred taxation	Total
	£'000	£'000	£'000
At 1 July 2016	1,285	15,557	16,642
Adjustment in respect of prior periods	-	1,822	1,822
Additions	483	425	908
Utilisation	-	(725)	(725)
At 30 June 2017	1,568	17,079	18,647

The decommissioning provision is held in two subsidiary companies, Myrddin Wind Farm Limited and Glenelg Wind Energy Limited. It is to cover future obligations to return land to which the companies operate to its original condition. The amounts are not expected to be utilised for in excess of 25 years.

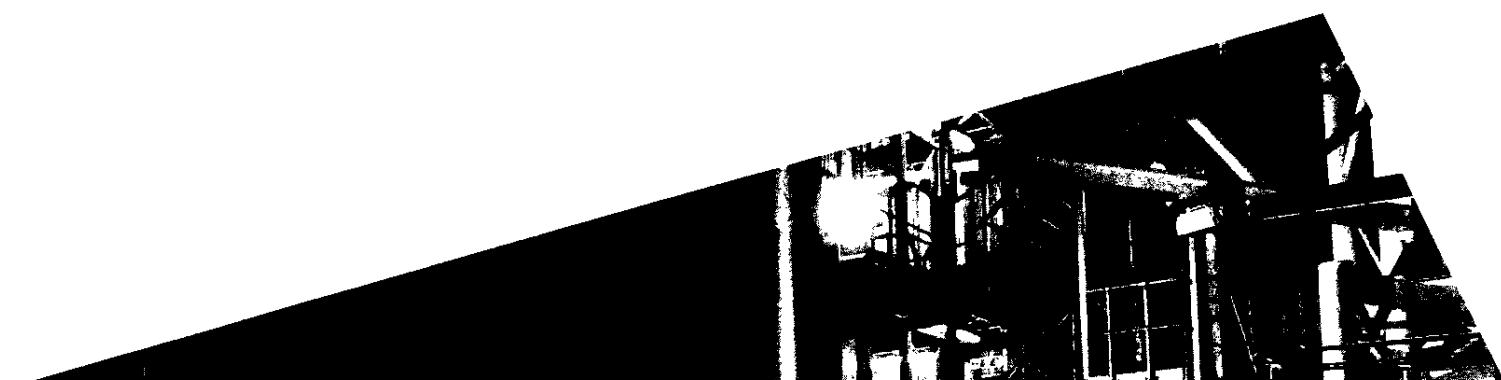
15 Issued ordinary shares

Group and Company

Allotted, called-up and fully paid

	2017	2016
	£'000	£'000
At 30 June 2017/2016, 115,487/113,824 Ordinary shares of £0.10 each	115,487	113,824

During the year the Group and Company issued 114,865,641 (2016: 111,552,824) Ordinary shares of £0.10 each for a consideration of £159,243,000 (2016: £201,798,000) giving rise to a premium of £147,342,000 (2016: £181,642,718).



4 FINANCIAL STATEMENTS 30 JUNE 2017

Notes to the financial statements for the year ended 30 June 2017

(continued)

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Contingent liabilities

Under section 4(6)(c) of the Companies Act 2006, the parent company is not required to disclose contingent liabilities of the company. The contingent liabilities of the company are those liabilities which are not recognised in the balance sheet of the company at the end of 30 June 2017 until they are satisfied or if the contingent liabilities are not recognised in the company's balance sheet of 30 June 2017, it is a guarantee, indemnity or other agreement entered into by any person to whom any such liability is due, or to whom it may become due, or in respect of which it is a surety or guarantor.

Company	Total Liabilities	Intercompany
	£ 000	£ 000
Guarantee by parent company	124	-
Guarantee by parent company	2	-
Guarantee by parent company	1	1
Guarantee by parent company	2,400	-
Guarantee by parent company	508,280	11,831
Guarantee by parent company	12,293	7,220
Guarantee by parent company	18,932	10,739
Guarantee by parent company	17,838	10,792
Guarantee by parent company	54,368	-
Guarantee by parent company	451,476	11,111
Guarantee by parent company	2,191	-
Guarantee by parent company	17,812	-
Guarantee by parent company	-	-
Guarantee by parent company	410	-
Guarantee by parent company	-	-
Guarantee by parent company	6,429	-
Guarantee by parent company	3	-
Guarantee by parent company	5	-
Guarantee by parent company	2,934	-
Guarantee by parent company	236,578	221,437
Guarantee by parent company	-	-
Guarantee by parent company	-	-
Total	1,330,136	276,382

4 | FINANCIAL STATEMENTS 30 JUNE 2017

Notes to the financial statements for the year ended 30 June 2017

(continued)

17 Financial instruments

The Group has the following financial instruments:

	Group		Company	
	2017	2016	2017	2016
	£'000	£'000	£'000	£'000
Carrying amount of financial assets				
Derivatives measured at fair value	496,995	529,707	485,589	116,756
Carrying amount of financial assets				
Measured at amortised cost	795,485	724,787	4,143	3,877
Measured at fair value through profit and loss	-	4,429	-	-
Measured at fair value through other comprehensive income	28,755	55,605	-	-

Derivative financial instruments

The Group enters into interest rate swaps to mitigate interest rate risk on its borrowings. These are designated as cash flow hedges with the effective element of the hedge measured through other comprehensive income. At 30 June 2017 the outstanding contracts have a maturity in excess of one year. The Group is committed to receive a BOR and pay a fixed rate amount.

18 Future minimum lease payments

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

	2017		2016	
	Land and Buildings	Other	Land and Buildings	Other
	£'000	£'000	£'000	£'000
Payments due:				
Not later than one year	4,664	234	4,508	273
Later than one year and not later than five years	18,889	224	18,778	325
Later than five years	117,246	-	12,254	-
	140,799	458	135,570	671

4 | FINANCIAL STATEMENTS FOR YEAR 2017

Notes to the financial statements for the year ended 30 June 2017

(continued)

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	2017	2016
	£'000	£'000
Loss for the financial year	(28,802)	(43,342)
Adjustments for:		
Tax on profit on ordinary activities	2,690	327
Interest receivable and similar income	(2,318)	1,526
Interest payable and other similar charges	37,532	30,320
Profit from disposal of subsidiaries	(3,423)	-
Income from fixed asset investments	(1,594)	12,757
Operating profit / loss	4,085	(11,902)
Amortisation of intangible fixed assets	23,957	1,185
Depreciation of tangible fixed assets	61,891	42,679
Impairment of deferred shares	470	9,578
Net cash movements on derivatives and foreign exchange	(3,058)	4,337
Decrease in stock	294	2,757
Increase/decrease in debtors	(36,186)	410,236
Decrease in creditors	(57,168)	(6,879)
Net cash from operating activities	(5,715)	455,526

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On 14th July 2017 Boomerang Energy Limited, a subsidiary of Fern Trading Limited acquired Blue Energy Partnerships Holdings Limited including the following SPV's:

- Auldryland Company Limited
- Clair Wind Farm (Scotland) Limited
- Grange Wind Farm Limited
- Rannoch Wind Farm Limited

In addition the following holding and dormant companies were acquired:

- Blue Energy Inter Acquisitions Limited
- Blue Energy RidgeWind Holdings Limited
- Blue Energy Wind Holdings Limited
- Blue Energy Windesore Holdings Limited
- Blue Energy RidgeWind Acquisitions Limited
- Blue Energy RidgeWind Acquisitions Number 2 Limited
- Blue Energy Clair Holdings Limited
- RidgeWind Acquisition Limited
- Clair Wind Farm Holdings Limited
- Rannoch Holdings Limited
- Blue Energy Grange Limited
- Rannoch Wind Farm Extension Limited



4| FINANCIAL STATEMENTS 30 JUNE 2017

Notes to the financial statements for the year ended 30 June 2017 (continued)

21 Related party transactions

Under FRS 18, 33(1A) disclosures need not be given of transactions entered into or entered into on behalf of members of a Group, provided that any subsidiary which is a party to such transactions wholly owned by such a member.

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

As at 30 June 2017 £134,210,000 (2016: £10,226,000) was due from Yorkshire Windpower Limited ("YWP") a 100% joint venture shareholding, in relation to the Group's 50% share of the shareholder loan facility made available to YWP in relation to the re-powering of Otterden Moor. The loan has a fixed interest rate of 5.01% and is due for repayment in October 2017.

During the period the Group received, in the normal course of business, from YWP £23,000 (2016: £92,000) for management and accountancy services. At the year end £67,000 was outstanding.

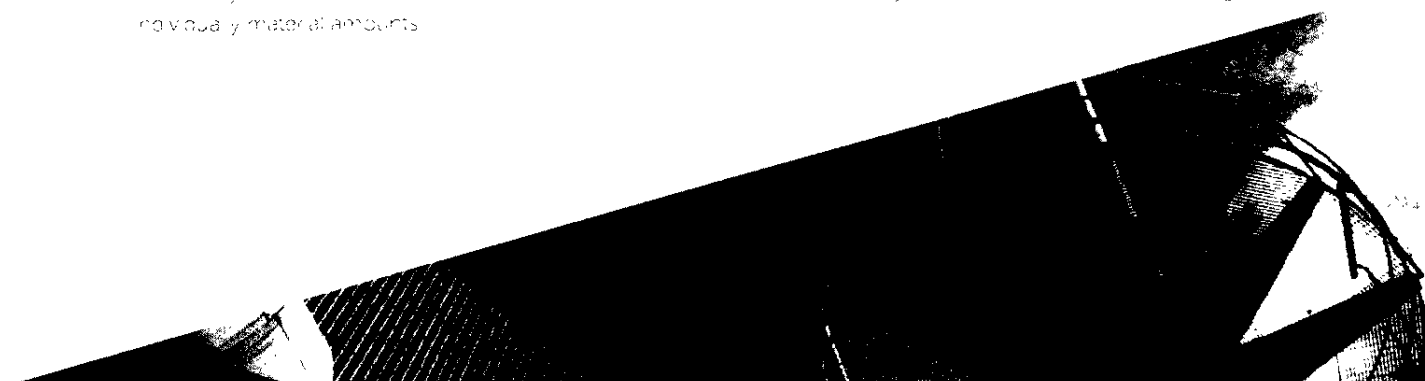
During the year fees of £36,368,000 (2016: £44,153,000) were charged to the Group by Octopus Investments Limited, a related party due to its significant influence over the entity. Octopus Investments Limited also recharged legal and professional fees totalling £52,000 (2016: £823,000) to the Group. At the year end an amount of £4,667,000 (2016: £2,873,000) was outstanding which is included in the trade creditors.

The Company is entitled to a profit share as a result of its investment in Tervio LLP, a related party due to key management personnel in common. In 2017 a share of profit equal to £1,594,000 (2016: £1,812,000) has been recognised by the Company. At the year end, the Company has an interest in the members capital of £3,393,000 (2016: £16,500,000) and accrued income due of £364,000 (2016: £472,000).

The Company previously provided a warehouse arrangement in purchases of inventory. During the year income of £61 (2016: £5,384.95) was received from related parties that have key management personnel in common. This includes the below individually material entities:

	Amounts included in debtors in the year ended 30 June 2017 £'000	Amounts included in debtors in the year ended 30 June 2016 £'000
Lightsource Trading Limited	-	2,733
Steining World Solar Limited (formerly Lightsource SPV 153 Limited)	-	2,003

The Company engages in lending activities which include balances provided to related parties. Regarding parties with key management personnel in common loans of £170,153,000 (2016: £186,779,000), accrued income of £6,738,000 (2016: £4,653,000) and deferred income of £11,699 (2016: £1,463,000) were outstanding at year end. During the year interest income of £27,590,000 (2016: £9,384,000) and fees of £1,861,000 (2016: £1,460,000) was recognised in relation to these loans. Within the loan balances at each year end there were the following individually material amounts:



4 FINANCIAL STATEMENTS 30 JUNE 2017

Notes to the financial statements for the year ended 30 June 2017

(continued)

21 Trade receivables and other receivables

	Amounts included in debtors in the year ended 30 June 2017	Interest receivable in the year ended 30 June 2017	Amounts included in debtors in the year ended 30 June 2016	Interest receivable in the year ended 30 June 2016
	£'000	£'000	£'000	£'000
Receivables from debtors	1,577	122	1,076	112
Receivables from others	17,620	2,076	17,070	1,158
Receivables from subsidiaries and associates	21,775	2,003	17,185	244
Receivables from other companies	-	466	4,231	363
Other receivables from subsidiaries and associates	25,098	9,159	10,228	680
Other receivables from other companies	5,081	438	1,983	106
Receivables from other companies	9,620	920	7,740	655
Other receivables from subsidiaries and associates	1,930	176	1,890	194
Receivables from other companies	9,400	918	7,311	41
Other receivables from other companies	2,587	193	2,351	170
Other receivables from other companies	2,048	155	3,025	132
Receivables from other companies	3,179	70	-	-
Receivables from other companies	4,077	138	-	-
Receivables from other companies	2,595	92	-	-
Receivables from other companies	4,303	125	-	-
Receivables from other companies	-	-	2,214	-
Receivables from other companies	-	403	1,911	44
Receivables from other companies	42,354	3,278	33,264	1,780
Receivables from other companies	-	711	4,270	10
Receivables from other companies	-	818	6,215	110
Receivables from other companies	6,592	522	6,850	341
Receivables from other companies	-	341	1,880	29
Receivables from other companies	-	677	4,402	53
Receivables from other companies	5,966	156	-	-
Receivables from other companies	8,952	788	4,757	53
Receivables from other companies	5,355	491	2,702	47
Receivables from other companies	4,774	296	1,479	44



4 | FINANCIAL STATEMENTS 30 JUNE 2017

Notes to the financial statements for the year ended 30 June 2017 (continued)

22 Financial commitments

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

	2017	2016
	£'000	£'000
Financial commitments at 30 June 2017 (including capital commitments)	763	1198

23 Ultimate controlling party

There is no ultimate controlling party.

24 Business combinations

a) Rangeford Holdings Limited acquisition

On 20 February 2017, the Group acquired control of Rangeford Holdings Limited and its subsidiaries (Rangeford) the entities listed as subsidiaries in note 9. In August 2015, the Group began lending to Rangeford; however following the breach of various undertakings from Rangeford under its lending facilities, the debt and equity of the Rangeford group was restructured during 2017. This resulted in the Group acquiring 100% of the share capital of Rangeford Holdings Limited.

Goodwill resulting from the business combination was £1,229,000 and has an estimated useful life of 10 years, reflecting the lifespan of the assets acquired.

The revenue from the acquired businesses included in the consolidated statement of comprehensive income for the year was £6,245,707 and a loss of £4,540,625 was contributed over the same year.

b) Nevern Power Limited acquisition

On 8 July 2016, the Group acquired control of the company. The acquired site is planned to be used for reserve power.

Consideration for Nevern Power Limited was £1 and the fair value of assets acquired was £1. Goodwill resulting from the business combination was nil.

The revenue from the acquired businesses included in the consolidated statement of comprehensive income for the year was £nil and a loss of £720,540 was contributed over the same year.



4 | FINANCIAL STATEMENTS 30 JUNE 2017

Notes to the financial statements for the year ended 30 June 2017

(continued)

24

c) Belisama Energy Limited acquisition

During the year, the Group acquired control of the subsidiaries listed in table 9 through the acquisition of 100% of the share capital. The acquisition dates are as follows:

- On 28 November 2016, the Group acquired SBC Stormy West Limited
- On 30 November 2016, the Group acquired SBC Stormy West Limited
- On 6 December 2016, the Group acquired Hutton Square Limited
- On 7 December 2016, the Group acquired Penryn Gas Solar Field Limited and Dux Station Limited
- On 14 December 2016, the Group acquired SBC Cornwall Limited

The acquired entities are involved in the generation of solar energy. The following tables summarise the consideration paid by the Group, the fair value of assets acquired, liabilities assumed and the non-controlling interest at the acquisition date.

Consideration

	2017
	£'000
Share consideration	5,898
Minority interest	81
Total consideration	5,979

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

	Book values	Adjustments	Fair value
	£'000	£'000	£'000
Property, plant and equipment	1,537	-	1,537
Trade and other receivables	258	-	258
Liabilities and other payables	(1,852)	-	(1,852)
Net assets acquired	(57)	-	(57)
Goodwill			6,036
Total consideration			5,979

Goodwill resulting from the business combination was 16,036,482 and has an estimated useful life of 25 years, reflecting the lifespan of the assets involved.

The revenue from the acquired businesses included in the consolidated statement of comprehensive income for the year was £1,221,504 and a profit of £20,953 was contributed over the same year.



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Notes to the financial statements for the year ended 30 June 2017

(continued)

24 Acquisition of subsidiaries

d) Porthos Solar Limited acquisition

During the year the Group acquired control of the subsidiaries listed in note 9 through the acquisition of 100% of the share capital. The acquisition dates are as follows:

- On 13 March 2017 the Group acquired NCR Limited
- On 17 March 2017 the Group acquired Gaswell Solar Farm Limited
- On 17 March 2017 the Group acquired Blaby Solar Farm Limited and Oressing Solar Farm Limited
- On 4 April 2017 the Group acquired Deepdale Farm Solar Limited and Poarnat Solar 2 Limited
- On 19 May 2017 the Group acquired UKCF 16 Solar Limited

The acquired entities each own a single operational solar farm. The following tables summarise the consideration paid by the Group, the fair value of assets acquired, liabilities assumed and the non-controlling interest at the acquisition date.

Consideration

	2017
	£'000
Consideration paid by cash	9,336
Goodwill attributable to 100%	422
Total consideration	9,758

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

	Book values	Adjustments	Fair value
	£'000	£'000	£'000
Property, plant and equipment	32,315	-	32,315
Trade and other receivables	46	-	46
Cash and cash equivalents	59	-	59
Prepayments and accrued income	559	-	559
Trade and other payables	(430)	-	(430)
Loans and other non-current liabilities	(32,183)	-	(32,183)
Net assets acquired	366	-	366
Goodwill			9,392
Total consideration			9,758

Goodwill resulting from the business combination was £9,392,392 and has an estimated useful life of 26 years, reflecting the lifespan of the assets acquired.

The revenue from the acquired businesses included in the consolidated statement of comprehensive income for the year was £1,294,206 and a profit of £154,727 was contributed over the same year.

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Notes to the financial statements for the year ended 30 June 2017

(continued)

24 Acquisition of subsidiaries

e) Caicias Energy Limited acquisition

On 30 September 2016, the Group acquired control of the subsidiaries listed in note 9 through the acquisition of 100% of the share capital. The acquired entity's subsidiary owns a single wind farm. The following table is summarised and consolidated data by the Group, the fair value of assets acquired, liabilities assumed and the non-controlling interest at the acquisition date.

Consideration

	2017
	£'000
Cash	15,134
Debtty contribution	337
Total consideration	15,471

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

	Book values	Adjustments	Fair value
	£'000	£'000	£'000
Identifiable intangibles	30,624	-	30,624
Property, plant and equipment	53,497	-	53,497
Trade and other receivables	7,541	-	7,541
Cash and cash equivalents	2,523	-	2,523
Prepayments and accrued income	1,493	-	1,493
Trade and other payables	(43,120)	-	(43,120)
Loans and other non-current liabilities	(42,765)	-	(42,765)
Net assets acquired	(207)	-	(207)
Goodwill			15,678
Total consideration			15,471

Goodwill arising from the business combination was £15,678,000 and has an estimated useful life of 25 years, reflecting the lifespan of the assets acquired.

The revenue from the acquired businesses included in the consolidated statement of comprehensive income for the year was £10,470,994 and a loss of £48,701.5 was contributed over the same year.





4| FINANCIAL STATEMENTS 30 JUNE 2017

Notes to the financial statements for the year ended 30 June 2017 (continued)

24 ACQUISITION OF SUBSIDIARIES

f) DS3 Acquisition

On 7 October 2016, the Group acquired control of the subsidiary listed in note 9 through the acquisition of 100% of the share capital. The acquired entity operates each of the single solar farm. The following tables summarise the consideration paid by the Group, the fair value of assets acquired and liabilities assumed and the non-controlling interest at the acquisition date.

Consideration

	2017
	£'000
Consideration paid in cash	-
Directly attributable costs	-
Total consideration	-

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

	Book values	Adjustments	Fair value
	£'000	£'000	£'000
Net assets acquired	(9,853)	-	(9,853)
Goodwill			9,853
Total consideration			-

Goodwill resulting from the business combination was £9,853,284 and had an estimated useful life of 25 years reflecting the lifespan of the assets acquired.

The revenue from the acquired businesses included in the consolidated statement of comprehensive income for the year was £3,010,403 and a loss of £1,989,175 was contributed over the same year.

g) Disposal of subsidiaries

During the year as part of the group's strategy, a restructure was executed. As part of this restructure Fluos Energy Limited was sold on 5 May 2017. During the year Fluos Energy Limited contributed post-tax profits of £44,280,561. The Group received cash consideration of £18,309,314. The net assets at the date of disposal were £18,197,032 and a profit on disposal of £3,423,000 was recognised in the profit and loss account.



5 | COMPANY INFORMATION

Directors and Advisors

Directors

RS Latham

KJ Allin

PC Barrow

Company secretary

Sharna Ludlow

Kamaka Bandjee (appointed 7 November 2017)

Company number

06447318

Registered office

6th Floor, 35-40 Berni Road, EC1N 2HT

Independent auditors

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Central Square South, Orchard Street

Newcastle upon Tyne NE1 3AF

Forward-looking statements

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

