

Fern Trading Limited
Annual report and financial statements
for the year ended 30 June 2015

Registered number 06447318

Fern Trading Limited
Annual report and financial statements
for the year ended 30 June 2015

Contents

Directors and advisers	1
Strategic report for the year ended 30 June 2015	2
Directors' report for the year ended 30 June 2015	4
Independent auditors' report to the members of Fern Trading Limited.....	6
Group profit and loss account for the year ended 30 June 2015.....	9
Group balance sheet as at 30 June 2015	10
Company balance sheet as at 30 June 2015	11
Group statement of cash flows for the year ended 30 June 2015	12
Statement of accounting policies	13
Notes to the financial statements for the year ended 30 June 2015	15

Fern Trading Limited

Directors and advisers

Directors

PS Latham

KJ Willey

PG Barlow

Company secretary

OCS Services Limited

Company number

06447318

Registered office

6th Floor

33 Holborn

London

EC1N 2HT

Independent auditors

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Central Square South

Orchard Street

Newcastle upon Tyne

NE1 3AZ

Fern Trading Limited

Strategic report for the year ended 30 June 2015

Principal activities

In the financial year to 30 June 2015, Fern Trading Limited (the "company") has continued to pursue a variety of specialist lending activities, as well as acquiring a number of operational businesses. In lending activities, the managers of the group have continued to make a number of loans which provide a stable source of income to the group with stable and defensive characteristics, predominantly in short-term lending to property developers and landlords, lending for commercial solar energy installations and lending for the construction of healthcare facilities including retirement villages, care homes and hospitals. Loans are typically secured with a first ranking charge. The operating businesses acquired have predominantly been in the renewables sector, in particular solar energy facilities. Since the reporting date, significant cash has been deployed in further energy company acquisitions, both in solar energy as well as onshore wind.

The performance of these counterparties has been good and this has delivered a growth in turnover and operating profit in line with the objectives of the group. In the future, the shift to a model that includes owning operating businesses, which may be project financed through external bank debt, may result in a higher level of volatility, however it is the managers' view that the acquired assets are of a similar risk profile to the lending activities.

In the short to medium term the group expects to achieve moderate organic growth in the sectors it currently operates in as well as seeking to identify new sectors with an appropriate level of demand and downside protection to deploy further capital contributions.

Principal risks and uncertainties

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

The Company provides funding for the construction of healthcare facilities such as retirement villages, care homes and hospitals. There is a risk of delays or cost overruns during the construction process. This is substantially mitigated through the use of fixed price contracts and by carrying out an appropriate level of due diligence on the lead building contractor. There is also a risk that once constructed, the facility fails to generate sufficient income and therefore is not able to service or repay its construction loan. This is mitigated by thorough commercial and technical diligence prior to the start of construction and thorough assessment of the ultimate market for the facility.

The Company provides funding for the installation of commercial solar parks as well as being the sole shareholder of a number of operational solar companies. There is a risk that once operational, the solar parks fail to achieve the level of income forecast because of changes in energy prices or levels of inflation. Because the sites earn income under government-backed off-take agreements, there is also an element of political risk impacting income. These risks are, in part, mitigated by thorough legal and technical diligence prior to the start of construction and by ensuring visibility over the ultimate buyer of the electricity.

The Company is the sole shareholder in 2 Reserve Power Plants. There is a risk that these fail to achieve the levels of forecast income.

Financial key performance indicators

The group focuses on capital preservation. In the case of loans, the managers monitor loan to value levels as its key performance indicator. These depend on each loan and in the year ending 30 June 2015 all loan to value ratios were at acceptable levels. In the case of its operational subsidiaries, performance is measured against a detailed financial forecast model and a returns target set at inception. Results have thus far been in line with expectation.

Results and dividends

The profit for the financial year, amounted to £32,730,753 (2014: £26,753,528) on turnover of £129,707,753 (2014: £108,178,898). No dividends were paid in the year (2014: £nil), equally no dividends are proposed for the current year.

Fern Trading Limited

Strategic report for the year ended 30 June 2015 (continued)

Objectives and strategies

The directors expect to continue to make loans in the sectors set out above and to acquire further operating businesses in the renewable and infrastructure sector during the next financial year.

Financial management policy

The directors place a particular emphasis on minimising the risk to the group's capital by ensuring all activities carried out meet the requirement of bearing a low and quantifiable level of risk relative to the capital utilised.

The key risk faced by the group in lending activities is the credit risk of its customers. Minimisation is achieved through solid underlying security, such as a charge over a tangible asset, which decreases the potential risk to the Company's capital. In the operating businesses, the key risk is fluctuation in energy prices which is minimised by the presence of Feed-in-Tariffs or Renewable Obligation Certificates covering a significant portion of the energy produced.

The group monitors its liquidity position closely to ensure it can meet its contracted obligations under loan and acquisition agreements. Liquidity comes from increases in shareholder funds, loans reaching maturity or being refinanced, or cash generated by operating businesses. Fern Trading Limited has been able to maintain an appropriate cash position and in addition has a working capital facility.

The Company's operating assets have bank facilities from external lenders. To the extent that there is change in the financing markets at the point of expiry of these facilities, it may not be possible to refinance these in full. There is not considered to be a substantial price risk, as Fern Trading Limited are not subject to purchasing any products or services in order to perform their operations.

On behalf of the board



PS Latham

Director

26 October 2015

Fern Trading Limited

Directors' report for the year ended 30 June 2015

The directors present their report and the audited consolidated financial statements for the year ended 30 June 2015.

Directors

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

PS Latham

KJ Willey

PG Barlow

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group and parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the company and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and 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' indemnities

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

Fern Trading Limited

Directors' report for the year ended 30 June 2015 (continued)

Independent auditors

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

- so far as the director is 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 s418 of the Companies Act 2006.

PricewaterhouseCoopers LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

On behalf of the board

A handwritten signature in black ink, consisting of a stylized 'P' and 'L' followed by a long horizontal line.

PS Latham

Director

26 October 2015

Fern Trading Limited

Independent auditors' report to the members of Fern Trading Limited

Report on the financial statements

Our opinion

In our opinion Fern Trading Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the parent company's affairs as at 30 June 2015 and of the group's profit and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

The group financial statements and parent company financial statements (the "financial statements") comprise:

- the group and company balance sheet as at 30 June 2015;
- the group profit and loss account for the year then ended;
- the group statement of cash flows for the year then ended;
- the reconciliation of net cash flow to movement in net funds for the year then ended;
- the accounting policies; and
- the notes to the financial statements, which include other explanatory information.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Fern Trading Limited

Independent auditors' report to the members of Fern Trading Limited (continued)

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

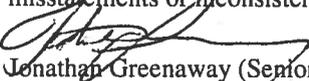
We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

Fern Trading Limited

Independent auditors' report to the members of Fern Trading Limited (continued)

In addition, we read all the financial and non-financial information in the Annual Report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.


Jonathan Greenaway (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Newcastle upon Tyne
26 October 2015

Fern Trading Limited

Group profit and loss account for the year ended 30 June 2015

	Note	2015 £	2014 £
Turnover	1	129,707,753	108,178,898
Cost of sales		(34,026,858)	(48,721,678)
Gross profit		95,680,895	59,457,220
Administrative expenses		(64,471,804)	(36,907,682)
Operating profit	2	31,209,091	22,549,538
Income from fixed asset investments		10,532,416	11,727,143
Profit on disposal of investments		-	389,657
Interest receivable and similar income	5	584,015	432,048
Interest payable and similar charges	5	(778,362)	(595,274)
Profit on ordinary activities before taxation		41,547,160	34,503,112
Tax on profit on ordinary activities	6	(8,816,407)	(7,749,584)
Profit for the financial year	16	32,730,753	26,753,528

All results relate to continuing activities. There are no material differences between the profit on ordinary activities before taxation and the profit for the financial year and their historical cost equivalents.

There are no recognised gains or losses for the financial year, other than those disclosed in the group profit and loss above.

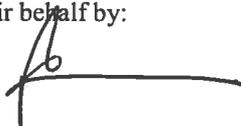
Fern Trading Limited

Group balance sheet as at 30 June 2015

	Note	2015 £	2014 £
Fixed assets			
Goodwill	8	33,179,195	32,559,315
Tangible assets	7	84,412,441	68,664,656
Investments	9	11,950,203	78,350,626
		129,541,839	179,574,597
Current assets			
Stocks	10	2,888,124	502,039
Debtors (including £314,952,940 (2014: £250,302,207) due after more than one year)	11	943,865,990	600,474,053
Investments	12	9,436,030	7,342,846
Cash at bank and in hand		156,188,174	54,050,270
		1,112,378,318	662,369,208
Creditors: amounts falling due within one year	13	(14,533,138)	(26,921,337)
Net current assets		1,097,845,180	635,447,871
Total assets less current liabilities		1,227,387,019	815,022,468
Creditors: amounts falling due after more than one year	14	(70,690,657)	-
Provisions for liabilities	13	(926,690)	-
Net assets		1,155,769,672	815,022,468
Capital and reserves			
Called up share capital	15	88,835,865	64,899,473
Share premium account	16	983,803,217	699,723,158
Profit and loss account	16	83,130,590	50,399,837
Total shareholders' funds	17	1,155,769,672	815,022,468

These consolidated financial statements on pages 9 to 30 were approved by the board of directors on 26 October 2015 and are signed on their behalf by:

PS Latham
Director



Registered number 06447318

Fern Trading Limited

Company balance sheet as at 30 June 2015

	Note	2015 £	2014 £
Fixed assets			
Investments	9	11,950,205	78,350,628
Current assets			
Stocks	10	2,888,124	502,039
Debtors (including £313,800,914 (2014: £249,408,418) due after more than one year)	11	999,472,463	698,473,987
Investments	12	9,436,030	7,342,846
Cash at bank and in hand		148,650,800	45,574,797
		1,160,447,417	751,893,669
Creditors: amounts falling due within one year	13	(11,825,052)	(13,663,486)
Net current assets		1,148,622,365	738,230,183
Net assets		1,160,572,570	816,580,811
Capital and reserves			
Called up share capital	15	88,835,865	64,899,473
Share premium account	16	983,803,217	699,723,158
Profit and loss account	16	87,933,488	51,958,180
Total shareholders' funds		1,160,572,570	816,580,811

These financial statements on pages 9 to 30 were approved by the board of directors on 26 October 2015 and are signed on their behalf by:



PS Latham
Director

Fern Trading Limited

Group statement of cash flows for the year ended 30 June 2015

	Note	2015 £	2014 £
Net cash flow from operating activities	18	(323,049,395)	(299,651,987)
Returns on investments and servicing of finance	19	(182,273)	175,016
Taxation		(9,799,983)	(4,596,136)
Capital expenditure and financial investment	19	54,983,985	32,318,862
Cash outflow before financing		(278,047,666)	(271,754,245)
Financing	19	380,185,570	292,538,342
Increase in cash in the year		102,137,904	20,784,097

Reconciliation of net cash flows to movements in net funds for the year ended 30 June 2015

	2015 £	2014 £
Increase in cash in the year	102,137,904	20,784,097
Borrowings	(72,169,118)	-
Movement in net funds in the year	29,968,786	20,784,097
Net funds at 1 July 2014	54,050,270	33,266,173
Net funds at 30 June 2015	84,019,056	54,050,270

Fern Trading Limited

Statement of accounting policies

Basis of preparation

These financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principle accounting policies, which have been applied consistently throughout the year, are set out below.

Basis of consolidation

The consolidated financial statements include the results of Fern Trading Limited and all of its subsidiary undertakings drawn up to 30 June 2015. No profit and loss account for the company has been presented as permitted by Section 408 of the Companies Act 2006. In preparing the consolidated financial statements uniform accounting policies have been adopted across the group and profits/losses on intra group transactions have been eliminated.

Turnover

Fern Trading Limited operates two main classes of business. They are primarily a money lending business in the United Kingdom. Turnover represents arrangement fees and loan interest, net of value added tax and is recognised upon delivery of the relevant services.

Another source of revenue is derived from Fern Trading Limited's subsidiaries (of which it is the sole shareholder); solar farms that generate turnover from sale of electricity generated during the period. Any uninvoiced income is accrued in the period in which it has been generated.

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 lives on the following basis:

Leasehold property	-	4% straight line
Plant and machinery	-	4% and 10% straight line

Operating leases

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

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.

Fern Trading Limited

Statement of accounting policies (continued)

Leasing and hire purchase

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

Stocks

Stocks are valued at the lower of cost being the purchase price, and net realisable value after making due allowance for obsolete and slow-moving stocks.

Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are discounted.

Goodwill

Goodwill is held at amortised cost and is amortised over 25 years.

Accrued income

Accrued income is calculated at the rate of interest set out in the loan contracts.

Deferred income

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

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.

Fern Trading Limited

Notes to the financial statements for the year ended 30 June 2015

1 Turnover

All turnover arose within the United Kingdom.

2 Operating profit

This is stated after charging:

	2015	2014
	£	£
Depreciation of tangible fixed assets – owned by the company	3,036,406	549,669
Auditor's remuneration	48,265	35,000
Auditor's remuneration – non audit services	6,000	8,500
Auditor's remuneration – taxation compliance services	42,125	17,000
Difference on foreign exchange	(133)	243,894

3 Staff costs

There are no employees other than directors in the current year or the previous year.

4 Directors' remuneration

	2015	2014
	£	£
Emoluments	70,000	58,333

During the year no pension contributions were made in respect of the directors (2014: none).

Fern Trading Limited

Notes to the financial statements for the year ended 30 June 2015 (continued)

5 Interest

Interest payable and similar charges	2015	2014
	£	£
On external loans	(778,362)	(595,274)

Interest receivable and similar income	2015	2014
	£	£
On bank balances	584,015	432,048

6 Tax on profit on ordinary activities

(a) Analysis of charge in year

	2015	2014
	£	£
<i>Current taxation:</i>		
UK corporation tax charge on profit for the year	7,875,601	7,829,034
Adjustments in respect of prior periods	81,623	89,269
Total current taxation	7,957,224	7,918,303
<i>Deferred taxation:</i>		
Origination and reversal of timing differences	889,259	(258,689)
Effect of change of tax rates	(30,076)	89,970
Total deferred taxation	859,183	(168,719)
Tax on profit on ordinary activities	8,816,407	7,749,584

Fern Trading Limited

Notes to the financial statements for the year ended 30 June 2015 (continued)

6 Tax on profit on ordinary activities (continued)

(b) Factors affecting tax charge for the year

The tax assessed for the year is higher (2014: higher) than the standard rate of corporation taxation in the UK of 20.75% (2014: 22.5%). The differences are explained below:

	2015	2014
	£	£
Profit on ordinary activities before taxation	41,547,160	34,503,112
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.75% (2014: 22.5%)	8,621,036	7,763,200
Effects of:		
Pre trading expenditure	-	91,101
Adjustments in respect of prior periods	81,623	89,269
Expenses not deductible for tax purposes	498,480	176,805
Deferred tax not recognised	(310,821)	-
Income not taxable for tax purposes	(30,129)	(89,004)
Capital allowances in excess of depreciation	(902,965)	(113,068)
Current tax charge for the year (note6(a))	7,957,224	7,918,303

(c) Factors that may affect future tax charge

The Summer Finance Bill of 2015 included reductions to the main rate of corporation tax to reduce the rate to 19% from 1 April 2017 and 18% from 1 April 2020. As these changes had not been substantially enacted at the balance sheet date their effects are not included in these financial statements.

Fern Trading Limited

Notes to the financial statements for the year ended 30 June 2015 (continued)

7 Tangible assets

Group	Plant and machinery
	£
Cost	
At 1 July 2014	69,214,325
Additions	18,784,191
At 30 June 2015	87,998,516
Accumulated depreciation	
At 1 July 2014	549,669
Charge for the year	3,036,406
At 30 June 2015	3,586,075
Net book value	
At 30 June 2015	84,412,441
At 30 June 2014	68,664,656

8 Goodwill

Group	£
Cost	
At 1 July 2014	32,811,456
Additions	1,997,287
At 30 June 2015	34,808,743
Accumulated amortisation	
At 1 July 2014	252,141
Charge for the year	1,377,407
At 30 June 2015	1,629,548
Net book value	
At 30 June 2015	33,179,195
At 30 June 2014	32,559,315

Fern Trading Limited

Notes to the financial statements for the year ended 30 June 2015 (continued)

9 Investments

Group	Unlisted investments
	£
Cost and net book value	
At 1 July 2014	78,350,626
Additions	56,099,577
Disposals	(122,500,000)
30 June 2015	11,950,203

Company	Subsidiary undertakings	Unlisted investments
	£	£
Cost and net book value		
At 1 July 2014	2	78,350,626
Additions	-	56,099,577
Disposals	-	(122,500,000)
30 June 2015	2	11,950,203

Unlisted investments comprise the company's and the group's holding of the members' capital of Terido LLP, a money lending business. Fern co-founded Terido LLP in October 2012 with the intention of conducting a proportion of its future trade through the partnership. Terido LLP has not been treated as a subsidiary undertaking and its results have not been consolidated as, in the opinion of the directors, Fern Trading Limited is unable to exert significant influence over its activities.

Fern Trading Limited

Notes to the financial statements for the year ended 30 June 2015 (continued)

9 Investments

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Date of acquisition / incorporation	Class of shares	Holding
The Fern Power Company Limited	08/01/14	Ordinary shares	100%
Dafen Reserve Power Limited	08/01/14	Ordinary shares	100%
Fern Renewable Energy Limited	29/04/14	Ordinary shares	100%
Mingay Farm Holding Limited	30/04/14	Ordinary shares	100%
Mingay Farm Limited	30/04/14	Ordinary shares	100%
Jura Solar Limited	30/04/14	Ordinary shares	100%
Abbots Ripton Solar Energy Holding Limited	30/04/14	Ordinary shares	100%
Abbots Ripton Solar Energy Limited	30/04/14	Ordinary shares	100%
Fern Energy Holdings Limited	08/01/15	Ordinary shares	100%
Cynon Power Limited	21/01/15	Ordinary shares	100%
Notos Energy Limited	16/06/15	Ordinary shares	100%
Boreas Energy Limited	23/04/15	Ordinary shares	100%
Fern Energy Limited	15/09/14	Ordinary shares	100%
Elios Energy Holdings Limited	03/03/15	Ordinary shares	100%
Elios Energy Limited	03/03/15	Ordinary shares	100%
Viners Energy Limited	23/06/15	Ordinary shares	100%
Elios Energy Holdings 2 Limited	23/06/15	Ordinary shares	100%
Elios Energy 2 Limited	23/06/15	Ordinary shares	100%

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

Fern Trading Limited

Notes to the financial statements for the year ended 30 June 2015 (continued)

10 Stocks

	2015	2014
Group and Company	£	£
Goods for Resale	2,888,124	502,039

11 Debtors

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Trade debtors	314,952,940	250,302,207	313,800,914	249,408,418
Other debtors	589,859,964	329,321,865	589,859,964	329,321,865
Deferred tax	-	168,720	-	-
Prepayments and accrued income	39,053,086	20,681,261	36,170,050	21,028,477
Amounts owed by group undertakings	-	-	59,641,535	98,715,227
	943,865,990	600,474,053	999,472,463	698,473,987

Included within amounts owed by group undertakings are unsecured loans with year end balances totalling £13,882,419 and £45,759,116 (2014: £3,001,000 and 95,714,227). The loans bear interest at 10% and 5% respectively and are repayable on demand.

12 Current asset investments

Group and Company	Unlisted investments £
Cost and net book value	
At 1 July 2014	7,342,846
Additions	19,521,711
Disposals	(17,428,527)
30 June 2015	9,436,030

Unlisted investments represent an investment in Bracken Holdings Limited, a company with key management personnel in common with Fern Trading Limited. This investment represents a 7% (2014: 5%) share of Bracken Holdings Limited's ordinary share capital.

Fern Trading Limited

Notes to the financial statements for the year ended 30 June 2015 (continued)

13 Creditors: amounts falling due within one year

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Trade creditors	1,257,243	1,950,888	542,378	403,006
Bank debt	1,478,461	-	-	-
Corporation tax	2,357,969	4,198,528	3,795,427	4,198,528
Other creditors	2,767,441	13,900,805	2,000,000	2,402,993
Accruals and deferred income	6,672,024	6,871,116	5,487,247	6,658,959
	14,533,138	26,921,337	11,825,052	13,663,486

Group	Deferred taxation
	£
At 1 July 2014	(168,720)
Adjustment in respect of prior periods	236,227
Change in tax rates	(30,076)
Transferred from the profit and loss account	889,259
At 30 June 2015	926,690

	2015
	£
Accelerated capital allowances	1,014,619
Losses	(87,929)
	926,690

Fern Trading Limited

Notes to the financial statements for the year ended 30 June 2015 (continued)

14 Creditors: amounts falling due after more than one year

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Bank debt	70,690,657	-	-	-

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Due in 1 year	1,478,461	-	-	-
Due between 1 and 2 years	5,575,920	-	-	-
Due between 2 and 5 years	9,526,771	-	-	-
Due in more than 5 years	55,587,966	-	-	-
	72,169,118	-	-	-

The bank loan incurs interest at 2.4% and is secured against certain assets of the group. The loan is repayable in instalments until 2020.

15 Called up share capital

Group and Company	2015	2014
Allotted, called-up and fully paid	£	£
888,358,650 (2014: 648,994,730) Ordinary shares of £0.10 each	88,835,865	64,899,473

During the year the group and company issued 239,363,920 (2014: 236,844,000) Ordinary shares of £0.10 each for a consideration of £308,016,451 (2014: £292,538,342) giving rise to a premium of £284,080,059 (2014: £268,853,922).

Fern Trading Limited

Notes to the financial statements for the year ended 30 June 2015 (continued)

16 Reserves

Group	Share premium account £	Profit and loss account £
At 1 July 2014	699,723,158	50,399,837
Profit for the financial year	-	32,730,753
Premium on shares issued during the year	284,080,059	-
At 30 June 2015	983,803,217	83,130,590

Company	Share premium account £	Profit and loss account £
At 1 July 2014	699,723,158	51,958,180
Profit for the financial year	-	35,975,308
Premium on shares issued during the year	284,080,059	-
At 30 June 2015	983,803,217	87,933,488

17 Reconciliation of movements in shareholders' funds

Group	2015 £	2014 £
Opening shareholders' funds	815,022,468	495,730,598
Profit for the financial year	32,730,753	26,753,528
Shares issued during the year	23,936,392	23,684,420
Share premium on shares issued (net of expenses)	284,080,059	268,853,922
Closing shareholders' funds	1,155,769,672	815,022,468

Fern Trading Limited

Notes to the financial statements for the year ended 30 June 2015 (continued)

18 Net cash flow from operating activities

	2015	2014
	£	£
Operating profit	31,209,091	34,503,112
Depreciation of tangible fixed assets	3,036,406	549,669
Profit on disposal of tangible fixed assets	-	389,657
Profit on sale of investments	(244,477)	-
Interest	-	(175,016)
Amortisation of goodwill	1,377,407	252,141
(Increase) / decrease in stocks	(2,386,085)	8,413,542
(Increase) in debtors	(343,560,657)	(351,639,125)
(Decrease) / increase in creditors	(12,481,080)	8,054,033
Net cash outflow from operating activities	(323,049,395)	(299,651,987)

19 Analysis of cash flows for headings netted in cash flow statement

	2015	2014
	£	£
Returns on investments and servicing of finance		
Interest (paid)/received	(182,273)	175,016
Net cash (outflow)/inflow from returns on investments and servicing of finance	(182,273)	175,016

	2015	2014
	£	£
Capital expenditure and financial investment		
Purchase of fixed assets	(18,102,860)	(5,823,163)
Deferred consideration payments	(1,997,287)	
Purchase of unlisted and other investments	(45,567,161)	(48,417,697)
Sales of unlisted and other investments	122,500,000	84,000,000
Purchase of short term investments	(19,521,711)	
Sale of short term unlisted investments	17,673,004	2,559,722
Net cash outflow from capital expenditure	54,983,985	32,318,862

Fern Trading Limited

Notes to the financial statements for the year ended 30 June 2015 (continued)

19 Analysis of cash flows for headings netted in cash flow statement (continued)

	2015	2014
	£	£
Financing		
Issue of ordinary shares	308,016,452	292,538,342
Increase in loans	72,169,118	-
Net cash inflow from financing	380,185,570	292,538,342

20 Analysis of changes in net funds

	1 July 2014	Cash flow	Other non-cash changes	30 June 2015
	£	£	£	£
Cash at bank and in hand	54,050,270	102,137,904	-	156,188,174
Debt:				
Finance leases	-	-	-	-
Debts due within one year	-	(1,478,461)	-	(1,478,461)
Debts due after one year		(70,690,657)	-	(70,690,657)
Net funds	54,050,270	29,932,625	-	84,019,056

21 Post-balance sheet events

On 23rd July 2015, Fern acquired a further 18 operational solar subsidiary companies.

Since then, Fern has continued to significantly increase its operational assets in energy, with an acquisition of a further 77 solar companies and an onshore wind farm.

Fern Trading Limited

Notes to the financial statements for the year ended 30 June 2015 (continued)

22 Related party transactions

	Amounts included in trade debtors in the year ended 30 June 2015	Interest receivable in the year ended 30 June 2015	Amounts included in trade debtors in the year ended 30 June 2014	Interest receivable in the year ended 30 June 2014
Abeba Energy Limited	1,475,101	35,458	-	-
Alfraganus Energy Limited	-	-	208,093	8,093
Alhazen Energy Limited	3,826,977	139,870	4,347,658	137,658
Allunga Limited	1,890,668	16,679	1,653,552	33,552
Arevalous Power Limited	1,699,640	17,136	1,139,780	23,248
Asiane Limited	616,117	24,932	901,462	43,128
Bhaskar Limited	-	-	169,079	4,780
Belakane Solar Limited	1,616,517	56,181	1,729,937	25,773
Brunissen Limited	-	-	2,813,535	246,535
Cadoxton Reserve Power	2,382,769	18,161	-	-
Cauchy Energy Limited	5,181,999	149,700	5,428,092	128,092
Chemosh Limited	1,870,087	18,855	2,225,824	33,160
Chamania Limited	6,807,124	99,686	6,275,652	185,652
Chuku Power Limited	-	-	4,644,710	265,611
Clapgate Farm Limited	550,000	16,290	-	-
Cleomedes Energy	8,062,359	108,017	7,578,890	178,890
Clothilda Solar Limited	186,063	1,641	464,412	14,412
Condamine Energy	1,700,365	212,429	1,742,758	42,393
Cyrah Power	764,467	94,207	797,517	33,050
Dacia Energy	8,011,628	38,641	-	-
Dajbog Limited	3,541,089	35,702	3,794,524	56,315
Decoy Farm Power Limited	4,100,000	107,836	-	-
Dhatar Limited	-	-	26,081	737
Dijun Limited	120,994	2,680	11,112	28
Draconids Limited	1,724,614	212,528	1,799,173	74,559
Dudugera Limited	-	-	187,690	11,690
Eleadora Limited	2,717,428	13,103	3,140,891	90,891
Elke Solar Limited	-	-	7,428,091	207,696
Elli Solar Limited	-	-	5,804,556	118,397
Enke Solar Limited	153,286	4,768	28,579	109
Fauth Energy Limited	5,490,701	178,536	5,713,374	236,806
Flammarion Energy Limited	5,405,857	257,100	5,604,117	248,260

Fern Trading Limited

Notes to the financial statements for the year ended 30 June 2015 (continued)

22 Related party transactions (continued)

	Amounts included in trade debtors in the year ended 30 June 2015	Interest receivable in the year ended 30 June 2015	Amounts included in trade debtors in the year ended 30 June 2014	Interest receivable in the year ended 30 June 2014
Foucault Energy Limited	-	-	4,173,123	415,764
Gassendi Energy Limited	1,258,456	157,221	1,289,831	31,375
Grange Farm	200,000	3,493	-	-
GreenCo Services 2 Limited	610,756	66,129	628,024	17,268
Grian Power Limited	-	-	4,126,263	116,663
Harpalus Energy Limited	-	-	633,146	17,901
Healthcare Education Business Services Limited	1,441,296	150,790	1,678,316	237,020
Helmdon Blackpits	5,150,000	300,192	-	-
Hipparchus Energy Limited	1,723,963	54,361	1,743,085	72,812
Horrebow Energy Ltd	269,197	8,142	412,021	12,691
Iarilo Limited	3,471,283	123,477	3,795,898	105,898
Intina Power Limited	2,400,268	36,804	2,727,120	40,629
Isidoris Energy Limited	752,246	33,428	653,433	6,960
Isoke Energy Limited	431,360	4,780	-	-
Jata Energy Limited	1,862,104	29,390	-	-
Kaikala Limited	2,643,528	330,260	2,709,435	65,907
Kunowsky Energy Limited	585,507	5,903	91,634	1,366
Lewa Energy Limited	1,016,031	16,308	-	-
Lightsource SPV 102 Limited	16,243,344	312,884	-	-
Lightsource SPV 103 Limited	18,444,501	362,623	-	-
Lightsource SPV 107 Limited	49,795,349	886,856	-	-
Lightsource SPV 11 Limited	52,826	-	-	-
Lightsource SPV 113 Limited	11,798,433	224,320	-	-
Lightsource SPV 119 Limited	13,549,842	256,324	-	-
Lightsource SPV 121 Limited	12,495,218	236,298	-	-
Lightsource SPV 125 Limited	12,156,600	247,505	-	-
Lightsource SPV 129 Limited	17,377,509	337,890	-	-
Lightsource SPV 15 Limited	7,082,117	138,501	-	-
Lightsource SPV 150 Limited	16,338,261	324,270	-	-
Lightsource SPV 157 Limited	6,789,923	126,084	-	-
Lightsource SPV 158 Limited	11,387,040	219,778	-	-
Lightsource SPV 173 Limited	14,431,274	276,655	-	-
Lightsource SPV 30 Limited	11,123,128	214,175	-	-
Lightsource SPV 43 Limited	8,047,752	146,603	-	-
Lightsource SPV 45 Limited	12,848,247	237,285	-	-
Lightsource SPV 93 Limited	28,102,230	539,581	-	-
Lightsource SPV 96 Limited	13,601,405	270,570	-	-

Fern Trading Limited

Notes to the financial statements for the year ended 30 June 2015 (continued)

22 Related party transactions (continued)

	Amounts included in trade debtors in the year ended 30 June 2015	Interest receivable in the year ended 30 June 2015	Amounts included in trade debtors in the year ended 30 June 2014	Interest receivable in the year ended 30 June 2014
Malakbel Limited	3,773,403	124,678	824,066	24,066
Mallina Power Ltd	-	-	48,553	1,476
Malwine Solar Limited	2,224,217	129,675	-	-
Manor Farm Community Energy	344,500	13,655	-	-
Martanda Limited	5,243,677	389,908	5,069,139	325,462
Mediaco Business Services Limited	1,672,358	92,859	1,984,777	81,947
Mehrang Limited	3,098,861	31,243	1,064,478	44,478
Miralalou Limited	1,737,571	15,329	2,412,921	112,921
Misae Power Limited	-	-	39,754	869
Mitzi Solar Limited	19,283	170	323,226	3,226
Nabarun Limited	6,660,000	167,117	2,802,845	42,845
Napkiraly Limited	-	-	40,667	2,121
Oda Solar Limited	1,744,727	15,392	1,112,159	12,159
Ottila Solar Limited	3,026,265	84,656	-	-
Paivatar Power Limited	75,734	2,291	178,140	4,491
Personnel Advisory Services Limited	1,646,393	224,176	-	-
Philolaus Limited	-	-	1,915,708	156,894
Philolaus Limited	-	-	46,183	413
Procne Energy Limited	95,662	2,170	9,508	36
Rashmika Limited	-	-	2,673,027	13,027
Ruva Energy Limited	1,217,844	70,458	12,765,504	360,504
Saas Business Services Limited	-	-	80,268	2,472
Semine Limited	43,856	749	7,084	27
Sommer Solar Limited	-	-	6,446,377	135,377
Sonste Limited	4,704,377	89,693	4,979,634	72,312
Sourendra Limited	56,075	1,246	5,112	20
Suvana Limited	6,666,826	169,295	1,183,512	13,512
Tapan Limited	-	-	5,107	20
Synnove Limited	1,452,942	12,818	-	-
Tejeshwar Limited	4,492,091	40,370	-	-
Teruko Power Limited	4,243,319	103,057	4,578,285	168,011

Fern Trading Limited

Notes to the financial statements for the year ended 30 June 2015 (continued)

22 Related party transactions (continued)

	Amounts included in trade debtors in the year ended 30 June 2015	Interest receivable in the year ended 30 June 2015	Amounts included in trade debtors in the year ended 30 June 2014	Interest receivable in the year ended 30 June 2014
Tonatiuh Trading 2 Limited	629,687	71,577	644,593	14,905
Udaya Limited	-	-	4,605	18
Wildmore Renewables	500,000	8,826		
Yarhibol Limited	64,941	1,606	8,792	34
Yata Power Limited	3,520,521	80,275	3,969,548	69,605
Yawo Energy Limited	853,774	13,675		
Zuvan Power Limited	-	-	36,189	1,100

Fern entered into the following transactions in the year with companies that have key management personnel in common.

Fern was charged administration expenses totalling £48,088,088 (2014: £27,628,697) by Octopus Investments Limited. Additionally, Fern recharged costs of £128,555 (2014: £621,493) to Octopus Investments Limited during the year. At June 2014, an amount of £5,783 (2014: £1,443,632) was included in creditors and accruals (see note 13).

Fern was charged administration expenses totalling £857,807 (2014: £593,690) by Rednel Limited.

Fern is entitled to a profit share as a result of its investment in Terido LLP. In 2015 a share of profit equal to £10,532,416 (2014: £11,727,143) has been recognised by Fern.

23 Ultimate parent company and controlling party

There is no ultimate controlling party.