

Registered number: 10706327

**Boomerang Energy Limited**

**Annual report and financial statements  
for the year ended 30 June 2022**



## **Boomerang Energy Limited**

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## **Boomerang Energy Limited**

### **Company information**

**Directors**

Peter Edward Dias  
Christopher Peter Gaydon  
Paul Stephen Latham  
Thomas James Rosser

**Company secretary**

Octopus Company Secretarial Services Limited

**Registered number**

10706327

**Registered office**

6th Floor  
33 Holborn  
London  
England  
EC1N 2HT

**Independent auditors**

Ernst & Young LLP  
Chartered Accountants and Statutory Auditors  
Bedford House  
16 Bedford House  
Belfast  
BT2 7DT

## **Boomerang Energy Limited**

### **Strategic report for the year ended 30 June 2022**

The directors present their Strategic report on Boomerang Energy Limited (the "Company") for the year ended 30 June 2022.

#### **Principal activities and Business review**

Boomerang Energy Limited is 100% owned by Helm Power 2 Limited; its ultimate parent company is Fern Trading Limited. The Company is the parent company of a group of companies of which the principal activities are that of construction and operation of wind farms and the generation of wind power.

For the year ended 30 June 2022, the underlying subsidiaries performed well and continue to be underpinned by strong operational performance across the portfolio. The impact of Covid-19, the conflict in Ukraine together with growing turmoil from fluctuations in commodity prices and foreign exchange rates has drive a sharp increase in volatility across markets. Although neither the Company's performance and going concern nor operations, at the date of this report, have been significantly impacted by the above, the Board of Directors continues to monitor the evolving situation and its impact on the financial position of the Company.

The results for the Company for the year ended 30 June 2022 and financial position as at that date were in line with expectations.

#### **Principal risks and uncertainties**

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

##### *Energy market risk*

There is a risk that energy sites could fail to achieve forecast levels of income due to changes in energy prices or government subsidies.

Fluctuations in energy prices are mitigated by entering into contracts which fix a portion of the subsidiaries' energy income, reducing exposure to underlying energy prices. 39% (2021: 32%) of the subsidiaries' energy income was fixed through price power purchase agreements. Long-term government backed off take agreements, such as the Renewable Obligation Certification ("ROC") scheme also underpin certain revenue streams. 31% (2021: 45%) of the subsidiaries' energy income was generated from ROC revenue.

##### *Performance risk*

Unpredictable weather conditions and operational availability could impact revenue generated from energy sites.

Performance risk is mitigated through the Company's operational strategy. The servicing of assets is optimised to maximise availability and limit downtime. This is achieved through performance-backed contractual obligations of key service providers, implementing a spares strategy and enhanced data monitoring to enable faster response times and limit downtime.

##### *Liquidity and cash flow risk*

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

The Company may enter hedging transactions in relation to interest rates transactions for the purposes of efficient portfolio management. Where the Company enters borrowing arrangements with floating rate interest, a swap arrangement is entered into to fix a portion of the interest in order to mitigate against an increase in interest rates.

The portion of interest to be fixed is assessed on a case-by-case basis. Management can elect whether to hedge account for these arrangements on an individual transaction basis and have elected to apply hedge accounting for subsidiaries holding interest rate swaps within the group. The Company will not enter derivative transactions for speculative purposes.

## **Boomerang Energy Limited**

### **Strategic report for the year ended 30 June 2022 (continued)**

#### **Principal risks and uncertainties (continued)**

Liquidity risk arises on bank loans in place and is managed through careful monitoring of debt covenants and maintaining sensible levels of debt. The term of borrowing is matched to the life of the assets against which it is secured. Revenue from such assets is received throughout the year therefore mitigates the liquidity risk over long-term borrowing.

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

The directors have considered the interest of other stakeholders within the Directors' report, which will have an impact on the long-term success of the Company when performing their duty to promote the success of the Company under Section 172. The directors view the key stakeholders of the Company to be shareholders, suppliers, employees, and borrowers. When making decisions, each director ensures that he acts in the way he considers, in good faith and would most likely promote the Company's success for the benefit of its members. The directors make the following considerations when considering promoting the success of the Company:

- When making decisions, the directors give careful consideration to the impact of those decisions on both the Company and broader stakeholders. This is achieved by considering any new deals or suppliers on a case-by-case basis and assessing the impact on the long-term objectives of the Company, as well as the impact on and reputation of the other party. In doing so, the directors also consider the impact on other stakeholders, in particular the shareholders.
- The Company acts in a fair manner with all suppliers and customers and seeks to maintain strong business relationships with them. This is achieved by all contracts being negotiated through fair and transparent tender process' which includes an assessment of the impact on the long-term objectives of the Company.
- The Company ensures that outsourced activities are with reputable suppliers who meet all the relevant industry and regulatory commitments as well as treating employees fairly. This is stated in agreements with outsourcers and adherence to this is monitored by the Company management team.
- The directors of the subsidiary undertakings manage the day-to-day decision making, engagement and communications with employees and ensure that people are treated fairly and are valued with respect to pay, benefit and conditions. We fully realise that our employees wish to be informed and consulted on matters affecting their work and to be involved in problem-solving affecting their own areas of interest and responsibility.
- The health and safety of our employees in the workplace is a continual focus for the Company. The directors review Health & Safety Reporting to ensure appropriate policies and procedures are in place to protect the health and safety of our employees and contractors. Where there are potential deficiencies or issues, these are followed up and resolved on a timely basis with the directors having oversight of the actions taken.
- The Company treats all suppliers and customers fairly, endeavouring to pay invoices within the terms of the contract. Any disputes are resolved promptly with key relationship personnel.
- Through the activities in which the Company operates, a positive contribution is made to the environment and economy through generation of renewable energy, helping the United Kingdom meet its renewable energy targets.

Business ethics and governance considerations have been discussed within the Directors' report. The directors understand the business and the evolving environment in which we operate and have considered the businesses specific risks and uncertainties within this Strategic report.

## **Boomerang Energy Limited**

### **Strategic report for the year ended 30 June 2022 (continued)**

#### **Financial key performance indicators**

The Company focuses on capital preservation. In the case of its operational subsidiaries, performance is measured by revenue and EBITDA and compared against the budget set at the beginning of the year. On a quarterly basis, performance is measured against detailed financial forecast model and a returns target set at inception. Results thus far have been in line with expectations.

#### **Objectives and strategies**

The directors do not expect any change in the Company's activities during the next financial year.

This report was approved by the board on 16 December 2022 and signed on its behalf:



**Thomas James Rosser  
Director**

## **Boomerang Energy Limited**

### **Directors' report for the year ended 30 June 2022**

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

#### **Results and dividends**

The loss for the year amounted to £1,783,677 (2021: profit of £3,004,573) and at the year end the Company had net assets of £94,935,870 (2021: £94,503,130).

Dividend of £18,633,042 were declared and paid during the year (2021: £nil).

#### **Going concern**

The financial statements have been prepared on the going concern basis. The directors have assessed the effects of COVID-19, the Ukraine conflict and the fluctuations in energy prices on the Company's ability to meet its liabilities as they fall due, and determined that based on recent results of the Company and revised projections, the pandemic, the conflict in Ukraine or the fluctuations in the energy prices are not expected to have a significant impact on the Company's business. Further, the ultimate parent undertaking, Fern Trading Limited, will continue to support the operations of the Company for a period of at least 12 months from the date on which the financial statements are approved. The directors will continue to monitor the situation and take any necessary actions to minimise the possible impacts of COVID-19, the conflict in Ukraine and the fluctuations in the energy prices.

#### **Directors of the Company**

The directors who served during the financial year ended 30 June 2022 and up to the date of signing the financial statements, unless otherwise indicated, are given below:

Peter Edward Dias  
Christopher Peter Gaydon  
Paul Stephen Latham  
Thomas James Rosser

#### **Qualifying third party indemnity provisions**

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.

#### **Matters covered in the Strategic report**

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

#### **Climate change and environmental impacts**

Our involvement in renewable energy, as owner and operator of wind farms, has enabled us to make a positive contribution to the climate change agenda.

#### **Employment of disabled persons**

Applications for employment by disabled persons are given full and fair consideration for all vacancies, having regard to their particular aptitudes and abilities. Should a person become disabled while in the Company's employment, every effort is made to retain them in employment, giving alternative training, as necessary. The Company places great emphasis on internal succession and has a comprehensive training and career development programme applicable to all employees.

## **Boomerang Energy Limited**

### **Directors' report for the year ended 30 June 2022 (continued)**

#### **Employee Information**

We fully realise that our employees wish to be informed and consulted on matters affecting their work and to be involved in problem-solving affecting their own areas of interest and responsibility. The Company is firmly committed to a policy of good communication at all levels and we aim to establish a climate which constantly encourages the open flow of information and ideas. Presently this includes a combination of monthly team briefings at a local level, quarterly newsletters, and roadshows (presently held virtually) and the publication of key performance indicators covering output, operating costs and health and safety on a weekly and monthly basis.

#### **Future outlook**

The directors expect the assets of the underlying subsidiaries to continue to perform in line with current performance over the useful lives of the solar farms.

#### **Business ethics and governance**

The directors are responsible for ensuring that the activities of the Company and its various businesses are conducted in compliance with the law and applicable governance and regulatory regimes, and in adherence with prevailing best practice for the relevant industry. This includes reviewing internal controls, ensuring that there is an appropriate balance of skills and experience, and ensuring that the financial statements give a true and fair view of the state of affairs of the Company. Further detail can be found in the statement of directors' responsibilities below. In the year to 30 June 2022 no areas of concern have been flagged in this regard.

#### **Statement of directors' responsibilities in respect of the financial statements**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland'. Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

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

The directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.



## **Boomerang Energy Limited**

### **Directors' report for the year ended 30 June 2022 (continued)**

#### **Statement of disclosure of information to auditors**

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

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

#### **Independent auditors**

Ernst & Young LLP were appointed as auditors to the Company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

#### **Events since Balance sheet date**

There have been no material adjusting or disclosable events since the financial year end.

This report was approved by the board on 16 December 2022 and signed on its behalf:



**Thomas James Rosser**  
**Director**

## **Boomerang Energy Limited**

### **Independent auditors' report to the members of Boomerang Energy Limited**

#### **Opinion**

We have audited the financial statements of Boomerang Energy Limited ('the Company') for the year ended 30 June 2022 which comprise the Statement of comprehensive income, Balance Sheet, the Statement of changes in equity, and the related notes 1 to 20, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the United Kingdom (UK) and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

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

#### **Basis for opinion**

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

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

#### **Conclusions relating to going concern**

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

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

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

## **Boomerang Energy Limited**

### **Independent auditors' report to the members of Boomerang Energy Limited (continued)**

#### **Other information**

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

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## **Boomerang Energy Limited**

### **Independent auditors' report to the members of Boomerang Energy Limited (continued)**

#### **Auditor's responsibilities for the audit of the financial statements**

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

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

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

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS 102 and Companies Act 2006) and the relevant direct and indirect tax compliance regulations in the United Kingdom in which the company operates.
- We understood how the company are complying with those frameworks by making enquires of management to understand how the company maintains and communicates its policies and procedures in these areas. We corroborated our inquiries through reading board minutes and correspondence with relevant authorities.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override to be fraud risks. Our procedures also involved testing journals identified by specific risk criteria.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved testing journals identified by specific risk criteria. We read the minutes of Directors' meetings to identify any non-compliance with laws and regulations. We also made enquiries with the Directors and of management regarding compliance with laws and regulations.

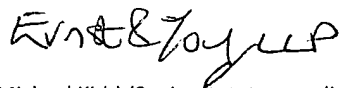
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**Boomerang Energy Limited**

**Independent auditors' report to the members of Boomerang Energy Limited (continued)**

**Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



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

## Boomerang Energy Limited

### Statement of comprehensive income for the year ended 30 June 2022

	Note	2022 £	2021 £
Administrative expenses		(102,711)	(25,270)
<b>Operating loss</b>		<b>(102,711)</b>	<b>(25,270)</b>
Reversal of impairment of investments		-	4,256,001
Interest receivable and similar income	6	7,029,900	6,844,288
Interest payable and similar expenses	7	(8,710,866)	(8,070,446)
<b>(Loss)/profit before tax</b>		<b>(1,783,677)</b>	<b>3,004,573</b>
Taxation	8	-	-
<b>(Loss)/profit for the financial year</b>		<b>(1,783,677)</b>	<b>3,004,573</b>
<b>Other comprehensive income for the year</b>			
Change in value of hedging instruments		24,973,962	11,916,369
Deferred tax on hedging instruments	14	(4,124,503)	-
<b>Other comprehensive income for the year</b>		<b>20,849,459</b>	<b>11,916,369</b>
<b>Total comprehensive income for the year</b>		<b>19,065,782</b>	<b>14,920,942</b>

All activities of the Company are from continuing operations.

The notes on pages 15 to 26 form an integral part of these financial statements.

**Boomerang Energy Limited**  
**Registered number: 10706327**

**Balance sheet**  
**as at 30 June 2022**

	Note	2022 £	2021 £
<b>Non current assets</b>			
Investments	9	182,424,842	182,424,842
Debtors: amounts falling due more than one year	10	15,556,874	-
		<u>197,981,716</u>	<u>182,424,842</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	10	180,840,735	213,734,119
Cash at bank and in hand		8,749,394	11,973,924
		<u>189,590,129</u>	<u>225,708,043</u>
<b>Creditors: amounts falling due within one year</b>	11	<b>(24,035,462)</b>	<b>(22,115,502)</b>
<b>Net current assets</b>		<b>165,554,667</b>	<b>203,592,541</b>
<b>Total assets less current liabilities</b>		<b>363,536,383</b>	<b>386,017,383</b>
Creditors: amounts falling due after more than one year	12	(264,476,010)	(291,514,253)
Deferred tax	14	(4,124,503)	-
<b>Net assets</b>		<b>94,935,870</b>	<b>94,503,130</b>
<b>Capital and reserves</b>			
Called-up share capital	15	100	100
Share premium account	16	9,900	9,900
Cash flow hedge reserve	16	12,373,506	(8,475,953)
Profit and loss account	16	82,552,364	102,969,083
<b>Total shareholders' funds</b>		<b>94,935,870</b>	<b>94,503,130</b>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 16 December 2022.



**Thomas James Rosser**  
**Director**

The notes on pages 15 to 26 form an integral part of these financial statements.

**Boomerang Energy Limited**

**Statement of changes in equity  
for the year ended 30 June 2022**

	Called-up share capital	Share premium account	Cash flow hedge reserves	Profit and loss account	Total shareholders' funds
	£	£	£	£	£
<b>At 1 July 2020</b>	<b>100</b>	<b>9,900</b>	<b>(20,392,322)</b>	<b>99,964,510</b>	<b>79,582,188</b>
Profit for the financial year	-	-	-	3,004,573	3,004,573
Change in value of hedging instruments	-	-	11,916,369	-	11,916,369
<b>At 30 June 2021 and 1 July 2021</b>	<b>100</b>	<b>9,900</b>	<b>(8,475,953)</b>	<b>102,969,083</b>	<b>94,503,130</b>
Loss for the financial year	-	-	-	(1,783,677)	(1,783,677)
Change in value of hedging instruments	-	-	24,973,962	-	24,973,962
Deferred tax on hedging instruments	-	-	(4,124,503)	-	(4,124,503)
Dividends paid	-	-	-	(18,633,042)	(18,633,042)
<b>At 30 June 2022</b>	<b>100</b>	<b>9,900</b>	<b>12,373,506</b>	<b>82,552,364</b>	<b>94,935,870</b>

The notes on pages 15 to 26 form an integral part of these financial statements.



## **Boomerang Energy Limited**

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

#### **1. General information**

Boomerang Energy Limited is a private company, limited by shares, incorporated and domiciled in England, the United Kingdom, registered number 10706327. The registered office is at 6th Floor, 33 Holborn, London, England, EC1N 2HT.

The Company is the parent company of a group of companies of which the principal activities are that of construction and operation of a wind farm and the generation of wind power.

#### **2. Accounting policies**

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

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

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

The following principal accounting policies have been applied:

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

The Company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this Company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group.

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

The Company has taken advantage of the following exemptions:

- from preparing a statement of cash flows, required under Section 7 of FRS 102 and para 3.17(d);
- from disclosing the Company's key management personnel compensation as required by FRS 102 para 33.7; and
- from disclosing related party transactions that are wholly owned within the same group as required by FRS 102 paragraph 33.8.

##### **2.3 Consolidation**

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

## **Boomerang Energy Limited**

### **Notes to the financial statements for the year ended 30 June 2022 (continued)**

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

##### **2.4 Going concern**

The financial statements have been prepared on the going concern basis. The directors have assessed the effects of COVID-19, the Ukraine conflict and the fluctuations in energy prices on the Company's ability to meet its liabilities as they fall due, and determined that based on recent results of the Company and revised projections, the pandemic, the conflict in Ukraine or the fluctuations in the energy prices are not expected to have a significant impact on the Company's business. Further, the ultimate parent undertaking, Fern Trading Limited, will continue to support the operations of the Company for a period of at least 12 months from the date on which the financial statements are approved. The directors will continue to monitor the situation and take any necessary actions to minimise the possible impacts of COVID-19, the conflict in Ukraine and the fluctuations in the energy prices.

##### **2.5 Interest income**

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

##### **2.6 Finance costs**

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument and released to the Statement of comprehensive income over the term of the debt.

##### **2.7 Investments**

Investments in subsidiary undertakings and associates are accounted for at cost less any provision for impairment. The value of investments is reviewed annually by the directors or more frequently if there is a triggering event and provision made where the investment's carrying amount exceeds its recoverable amount. Impairment losses are recognised in the Statement of comprehensive income. Where an impairment loss subsequently reverses, the carrying amount of the investment is increased to the revised estimate of its recoverable amount, not to exceed the carrying amount that would have been determined had no impairment losses been recognised for the investment in prior years. A reversal of impairment loss is recognised immediately in the Statement of comprehensive income.

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

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

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

## Boomerang Energy Limited

### Notes to the financial statements for the year ended 30 June 2022 (continued)

#### 2. Accounting policies (continued)

##### 2.8 Impairment of non-financial assets (continued)

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

If an impairment loss is subsequently reversed, the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the Statement of comprehensive income.

##### 2.9 Taxation

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

Current or deferred taxation assets and liabilities are not discounted.

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

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

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

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

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

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

##### 2.10 Financial instruments

###### *(i) Financial assets*

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method.

## Boomerang Energy Limited

### Notes to the financial statements for the year ended 30 June 2022 (continued)

#### 2. Accounting policies (continued)

##### 2.10 Financial instruments (continued)

###### *(i) Financial assets (continued)*

Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at cost and amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

###### *(ii) Financial liability*

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

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

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

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet 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.

Derivatives, including interest rate swaps, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in Statement of comprehensive income in finance costs or income as appropriate.

## Boomerang Energy Limited

### Notes to the financial statements for the year ended 30 June 2022 (continued)

#### 2. Accounting policies (continued)

##### 2.11 Hedge accounting

The Company uses variable to fixed interest rate swaps to manage its exposure to fair value risk on its financial instruments. These derivatives are measured at fair value at each reporting date.

To the extent the cash flow hedge is effective, movements in fair value are recognised in other comprehensive income and presented in a separate cash flow hedge reserve. Any ineffective portions of those movements are recognised in Statement of comprehensive income for the period.

Gains and losses on the hedging instruments and the hedged items are recognised in Statement of comprehensive income for the period. When a hedged item is an unrecognised firm commitment, the cumulative hedging gain or loss on the hedged item is recognised as an asset or liability with a corresponding gain or loss recognised in Statement of comprehensive income.

##### 2.12 Related party transactions

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

##### 2.13 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

#### 3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies.

Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

##### **Critical accounting estimates, assumptions and judgements in applying the entity's accounting policies**

###### *(i) Investment in subsidiaries*

The value of investments in subsidiary undertakings held by the Company is reviewed annually for impairment. The recoverability of these balances is considered with reference to the present value of the estimated future cash flows. These calculations use cash flow projections which extend forward forecasted business performance together with assumptions surrounding the expect life of the asset, externally prepared forecasts and valuations, and any adjustments required to the discount rate to take account of business risk. The estimated present value of these future cash flows is sensitive to the discount rate and growth rate used in the calculation, all of which require management's judgement. Testing of the carrying value has been performed during the year, which has involved several scenarios being modelled. Following this assessment management have concluded that the carrying value of investments in subsidiary entities is supported by the underlying valuations (see note 9).

###### *(ii) Amounts owed by group undertakings*

The value of amounts owed by group undertakings is reviewed annually for recoverability. Where an indication that part of the carrying value is irrecoverable, then an adjustment is required of the carrying value to the recoverable amount with an impairment charge recognised in Statement of comprehensive income.

## Boomerang Energy Limited

### Notes to the financial statements for the year ended 30 June 2022 (continued)

#### 3. Judgments in applying accounting policies and key sources of estimation uncertainty (continued)

##### (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 the hedged item.

#### 4. Auditors' remuneration

	2022 £	2021 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	20,000	6,500
<b>Fees payable to the Company's auditor and its associates in respect of:</b>		
Taxation compliance services	1,500	958
All other services	1,750	750
	<u>3,250</u>	<u>1,708</u>

#### 5. Employees

The Company had no employees during the year (2021: none). The directors did not receive or waive any remuneration (2021: £nil).

#### 6. Interest receivable and similar income

	2022 £	2021 £
Interest receivable from group companies	6,139,170	6,844,288
Gain on derivative financial instruments	890,730	-
	<u>7,029,900</u>	<u>6,844,288</u>

#### 7. Interest payable and similar expenses

	2022 £	2021 £
Interest on bank borrowings	8,710,866	7,576,828
Losses on derivative financial instruments	-	493,618
	<u>8,710,866</u>	<u>8,070,446</u>

## Boomerang Energy Limited

### Notes to the financial statements for the year ended 30 June 2022 (continued)

#### 8. Taxation

	2022 £	2021 £
<b>Current tax</b>		
Current tax on (loss)/ profits for the year	-	-
<b>Total current tax</b>	<u>-</u>	<u>-</u>
<b>Taxation on (loss)/ profit on ordinary activities</b>	<u>-</u>	<u>-</u>

#### Factors affecting tax charge for the year

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

	2022 £	2021 £
(Loss)/profit on ordinary activities before tax	<u>(1,783,677)</u>	<u>3,004,573</u>
(Loss)/ profit on ordinary activities multiplied by standard rate of corporation tax in the United Kingdom of 19% (2021: 19%)	<b>(338,899)</b>	570,869
<b>Effects of:</b>		
Non-taxable income	-	(812,976)
Deferred tax not recognised	-	242,107
Expenses not deductible	<b>117</b>	-
Effects of group relief/ other reliefs	<b>338,782</b>	-
<b>Total tax charge for the year</b>	<u>-</u>	<u>-</u>

#### Factors that may affect future tax charges

The Finance Act 2021 enacted on 10 June 2021 increased the main rate of United Kingdom corporation tax from 19% to 25%, effective from 1 April 2023.

## Boomerang Energy Limited

### Notes to the financial statements for the year ended 30 June 2022 (continued)

#### 9. Investments

	Subsidiary undertakings £
<b>Cost</b>	
At 1 July 2021 and 30 June 2022	182,424,842
<b>Impairment</b>	
At 1 July 2021 and 30 June 2022	-
<b>Net book value</b>	
At 30 June 2021 and 30 June 2022	182,424,842

The directors believe that the book value of the investments is not more than the value of the underlying net assets.

#### *Subsidiary undertakings*

The following were subsidiary undertakings of the Company:

#### *Company's directly owned subsidiaries*

Name	Country of incorporation	Class of shares	Holding	Principal activity
Beinneum Wind Farm Limited	United Kingdom	Ordinary	100%	Operation of a wind farm
Grange Wind Farm Limited	United Kingdom	Ordinary	100%	Operation of a wind farm
Boreas Energy Limited	United Kingdom	Ordinary	100%	Holding company
Notos Energy Limited	United Kingdom	Ordinary	100%	Holding company
Caicias Energy Limited	United Kingdom	Ordinary	100%	Holding company
Fern Energy Cour Holdings Limited	United Kingdom	Ordinary	100%	Holding company
Fern Energy Wind Holdings Limited	United Kingdom	Ordinary	100%	Holding company

#### *Company's indirectly owned subsidiaries*

Auquhirie Land Company Limited	United Kingdom*	Ordinary	100%	Operation of a wind farm
Cour Wind Farm (Scotland) Limited	United Kingdom*	Ordinary	100%	Operation of a wind farm
Fraisthorpe Wind Farm Limited	United Kingdom	Ordinary	100%	Operation of a wind farm
Glenchamber Wind Energy Limited	United Kingdom**	Ordinary	100%	Operation of a wind farm
Wryde Croft Wind Farm Limited	United Kingdom**	Ordinary	100%	Operation of a wind farm

The registered office for entities in the respective country of registration is as follows:

Country	Registered Office
United Kingdom	6th Floor, 33 Holborn, London, EC1N 2HT
United Kingdom*	4th Floor Saltire Court, 20 Castle Terrace; Edinburgh, Scotland, EH1 2EN
United Kingdom**	Beaufort Court, Egg Farm Lane, Kings Langley, Hertfordshire, WD4 8LR



## Boomerang Energy Limited

### Notes to the financial statements for the year ended 30 June 2022 (continued)

#### 10. Debtors

	2022 £	2021 £
<b>Amounts falling due more than one year</b>		
Derivative financial instruments (note 17)	<u>15,556,874</u>	<u>-</u>
	2022 £	2021 £
<b>Amounts falling due within one year</b>		
Trade debtors	-	11,187
Amounts owed by group undertakings	179,112,226	213,443,929
Other debtors	1,728,509	279,003
	<u>180,840,735</u>	<u>213,734,119</u>

Included within amounts owed by group undertakings are unsecured loans with year end balances totalling £179,112,226 (2021: £213,443,929). The balance bears interest at 3% (2021: 3%) and is repayable on demand.

#### 11. Creditors: amounts falling due within one year

	2022 £	2021 £
Bank loans	19,872,431	14,437,877
Amounts owed to group undertakings	2,223,764	6,536,038
Accruals and deferred income	1,926,766	1,129,086
Other creditors	12,501	12,501
	<u>24,035,462</u>	<u>22,115,502</u>

Amounts owed to group undertakings are unsecured loans with year end balances totalling £2,223,764 (2021: £6,536,038).

#### 12. Creditors: amounts falling due after more than one year

	2022 £	2021 £
Bank loans	264,476,010	280,560,115
Derivative financial instruments (note 17)	-	10,954,138
	<u>264,476,010</u>	<u>291,514,253</u>

Bank loans are presented net of debt issue costs.

## Boomerang Energy Limited

### Notes to the financial statements for the year ended 30 June 2022 (continued)

#### 13. Loans

Analysis of the maturity of loans is given below:

	2022 £	2021 £
<b>Bank loans</b>		
Due in one year	19,872,431	14,437,877
Due between 1 and 5 years	62,079,117	62,728,617
Due in more than 5 years	202,396,893	217,831,498
	<u>284,348,441</u>	<u>294,997,992</u>

The bank loan is secured against the assets of the entity and interest is charged at 6 month SONIAR plus 1.5% per annum (2021: 6 month LIBOR plus 1.5% per annum).

#### 14. Deferred tax

	2022 £
Charged to other comprehensive income	(4,124,503)
<b>At 30 June 2022</b>	<u>(4,124,503)</u>

The provision for deferred tax is made up as follows:

	2022 £	2021 £
Deferred tax on hedging instruments	<u>(4,124,503)</u>	<u>-</u>

#### 15. Called-up share capital

	2022 £	2021 £
<b>Allotted, Called-up and fully paid</b>		
10,000 (2021: 10,000) ordinary shares of £0.01 each	<u>100</u>	<u>100</u>

## Boomerang Energy Limited

### Notes to the financial statements for the year ended 30 June 2022 (continued)

#### 16. Other reserves

	2022	2021
	£	£
<b>Balance as at 30 June</b>		
Profit and loss account	<b>82,552,364</b>	102,969,083
Share premium account	<b>9,900</b>	9,900
Cash flow hedge reserve	<b>12,373,506</b>	(8,475,953)
	<u><u>12,373,506</u></u>	<u><u>(8,475,953)</u></u>

#### *Profit and loss account*

The profit and loss account represent cumulative profits and losses, net of dividends paid.

#### *Share premium account*

Share premium originated as a result of allotment of shares and related share premium.

#### *Cash flow hedge reserve*

Cash flow hedge reserve represent cumulative profits and losses from hedging activities.

#### 17. Derivative financial instruments

The Company applies hedge accounting to hedge the risk of fluctuations in the value of the security.

Derivative instruments measured at fair value through other comprehensive income:

	2022	2021
	£	£
Financial assets	<b>15,556,874</b>	-
Financial liabilities	-	(10,954,138)
	<u><u>15,556,874</u></u>	<u><u>(10,954,138)</u></u>

#### 18. Related party transactions

The Company has taken advantage of the exemption under paragraph 33.1 A from the provisions of FRS 102, on the grounds that as at the year ended 30 June 2022 it was a wholly owned subsidiary. There are no other related party transactions.

## **Boomerang Energy Limited**

### **Notes to the financial statements for the year ended 30 June 2022 (continued)**

#### **19. Ultimate parent undertaking and controlling party**

The Company's immediate parent undertaking is Helm Power 2 Limited, a company incorporated in England, United Kingdom.

The ultimate parent undertaking as at the year ended 30 June 2022 was Fern Trading Limited, a company incorporated in the United Kingdom. The smallest group to consolidate these financial statements is Cedar Energy and Infrastructure Limited. Fern Trading Limited is the largest group of undertakings to consolidate these financial statements. Copies of Fern Trading Limited's consolidated financial statements can be obtained from the Company Secretary at 6th Floor, 33 Holborn, London, England, EC1N 2HT.

#### **20. Events since Balance sheet date**

There have been no material adjusting or disclosable events since the financial year end.