

Cedar Energy and Infrastructure Limited
Annual report and financial statements
for the year ended 30 June 2022

Registered number: 12203483



Cedar Energy and Infrastructure Limited

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

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Cedar Energy and Infrastructure Limited

Directors and advisers

Directors

P S Latham

M G Setchell

E W Fellows (appointed 21st September 2021)

J C N Digges (resigned 21st September 2021)

Company secretary

Octopus Company Secretarial Services Limited

Company number

12203483

Registered office

33 Holborn

London

England

EC1N 2HT

Independent auditors

Ernst & Young LLP

Bedford House

16 Bedford Street

Belfast

BT2 7DT

Cedar Energy and Infrastructure Limited

Strategic report for the year ended 30 June 2022

Introduction

The Directors present their strategic report on Cedar Energy and Infrastructure Limited (the “Company”) for the year ended 30 June 2022. Consolidated financial statements have been prepared for the Company together with its subsidiaries, which together comprise the ‘Group’.

Principal activities and business review

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

A number of acquisitions were made during the year, including nine operational reserve power sites, a waste to energy site under construction, a construction ready wind farm in Australia and seventeen solar rooftop sites under construction. Shortly after the year end, in July 2022, a subsidiary of the group sold Darlington Point, a large solar site in Australia. To support continued expansion, the Group had built up cash reserves at year end of £152m which included a large cash inflow of £97m from placing external refinancing in Darlington Point prior to sale.

In measuring the Group’s performance, the financial measures that the Group use include those that have been derived from the reported results in order to eliminate factors that distort year-on-year comparisons. These are considered non-GAAP financial measures. A reconciliation of these to the financial results can be found in note 25 of the notes to the financial statements.

Financial performance

The Group performed well for the year ended 30 June 2022. As our sites under construction in 2021 became operational in 2022, energy generation increased by 988GWh to 3,750GWh (2021: 2,762GWh). This coupled with increased economic activity and global demand throughout the year and inflated wholesale energy prices resulted in the overall increase in revenue earned across the energy sites of 83% to £590m (2021: £322m).

Correspondingly, EBITDA also increased by 113% to £266m (2021: £125 restated) reflecting the significant increase in energy revenue. Overall total operating costs increased by £146m to £461m (2021: £315m restated), site costs of £120m were incurred at the Group’s biomass sites and £93m at its reserve power sites, where prices for raw materials have increased, on average, by 69% due to an increase in the supply costs. The combined cost of sales for the reserve power and biomass sites increased by £110m to £217m (2021: £107m). It should be noted that the revenue generated by the biomass and reserve power sites also increased by £192m during the year to £353m (2021: £161m).

Included in the results this year is a profit of £28m recognised on the sale of two wind farms in Finland and a realisation of £1.6m of deferred consideration on solar sites sold in previous years.

Twenty-one energy sites were under construction as at 30 June 2022 and are therefore included within the cost base but are not yet contributing towards revenue. As these assets reach completion, and others that have recently become operational contribute revenue for the entire financial period, the Group is expected to increase operational efficiency and performance.

Cedar Energy and Infrastructure Limited

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

Principal activities and business review (continued)

Financial position

Continued investment has seen net assets grow to £1,240m (2021: £1,207m restated). Fixed assets have increased by £156m to £1,625m (2021: £1,469 restated) which reflects the Group's continued construction as well as various acquisitions. Goodwill, at £483m (2021: £518m restated), continues to be a significant number on the balance sheet and arises on the acquisition of some businesses. Acquired businesses often have a market value in excess of the company's net assets, reflecting their estimated future income streams. Accounting convention requires that only identifiable assets are named on the balance sheet so the accounts cannot record the balance of the additional market value which comprises the future profits that sites are expected to deliver. The additional value in excess of the value of fixed assets themselves (such as solar panels) is recognised as goodwill.

Put simply, the market value of the energy generation businesses reflects the value of future expected profits, not the cost of simply buying tangible assets such as solar panels or wind turbines. The Group pays market value for the sites it acquires, which may exceed the value of identifiable assets such as the solar panels and so generates goodwill, which essentially represents the value of the expected future income streams. Goodwill recognised will gradually be written off, typically over the life of the site, as expected returns are realised.

The Group reported a cash balance as at 30 June 2022 of £152m (2021: £112m). With a number of assets currently under construction the Group monitors cash requirements carefully throughout the year and utilises external financing to maximise deployment and drive growth. The Company holds a revolving credit facility ("RCF") that enables the Group to effectively manage short to medium term cash flows. Of the £210m available to the Company, £Nil (2021: £Nil) of the RCF was drawn as at 30 June 2022.

Announced within the autumn statement as part of the 2023 Finance Bill, the UK Government will enact a 45% windfall levy ("Electricity Generator Levy" or "EGL") on wholesale energy market revenues in excess of £75/MWh. This is expected to apply to the Group from 1 January 2023 to 31 March 2028. The exact legislation will be published in mid-December 2022, but based on the initial release an impact analysis has been performed as at 30 September 2022. We estimate the impact to be a drop in the market valuation of approximately £45m in total for the sites affected.

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

Principal risks and uncertainties

Management identifies, assess and manage risks associated with the Group's business objectives and strategy. Risks arise from external sources, those which are inherent commercial risks in the market, and from operational risks contained within the systems and processes employed within the business. The principal risks that the Group are exposed to are described below, along with the mitigation actions the Group takes to reduce the potential impact of the risk.

Market risk

The energy sector is experiencing significant turbulence and there is a risk that forecast levels of income are not achieved due to changes in wholesale energy prices, off-take contracts, or government subsidies. Due to this turbulent environment, the potential for increased intervention by the regulator is also a risk.

Mitigations:

- Contracts are entered into which fix the income for a portion of the energy generated by the Group's sites.
- Long-term government backed offtake agreements are in place, such as the Renewable Obligation Certification ("ROC") scheme, 30% of the Group's energy income was generated from ROC revenue.
- The Group engages with the Government and the Office of Gas and Electricity Markets ("OFGEM") to contribute to an industry voice with policy makers who set future regulatory requirements.

Cedar Energy and Infrastructure Limited

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

Principal risks and uncertainties (continued)

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

Operational risk

Levels of energy produced may be lower than anticipated due to sub-optimal weather conditions or performance issues with equipment, which may result in significant unplanned downtime.

Mitigations:

- Unpredictability of the weather is mitigated through diversification of technologies and location of sites.
- Regular servicing of assets is undertaken to ensure assets are kept in good condition and minimise the risk that assets are unavailable for a longer period.

Financial risk

Revenues (from energy generation) or sale proceeds (from the sale of sites) generated from overseas sites are lower than expected due to fluctuations in foreign exchange rates.

Mitigations:

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

Construction risk

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

Mitigations:

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

Liquidity and cash flow risk

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

Mitigations:

- A detailed cash flow forecast is prepared and reviewed by management on a monthly basis, incorporating cash availability and cash requirements across the Group. On a quarterly basis this is shared with the Board of directors of the company (the "Board").
- The Group monitors bank covenants on an ongoing basis to ensure continued adherence to covenants. Where covenants can't be met, forecasts are updated for the lower cash available as a result of the restriction.
- The Company has a revolving credit facility which can be drawn on at short notice to meet immediate business needs.

Health and Safety risk:

The safety of the Group's employees and those employed through contracts are of paramount importance. There is a risk that accidents in the workplace could result in serious injury or death.

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

Cedar Energy and Infrastructure Limited

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

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

The Directors consider that they have adhered to the requirements of section 172 of the Companies Act 2006 (the “Act”), and have, in good faith, acted in a way that would be most likely to promote the success of the Group for the benefit of its members as a whole (having regard to all stakeholders and matters set out in sections 172(1)(a-f) of the Act) in the decisions taken during the year ended 30 June 2022.

In the performance of their duty to promote the success of the Group, the Directors have regard to a number of matters, including the likely consequence of any decisions in the long term, and listens to the views of the Group’s key stakeholders to build trust and ensure they fully understands the potential impacts of the decisions it makes. The Directors fulfil duties partly by delegation to committees and the boards of subsidiary undertakings, who operate within a corporate governance framework across the Group.

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

Principal decisions

The Group defines principal decisions taken by the Directors as those decisions that are of a strategic nature and that are significant to any of its key stakeholder groups. The Directors consider that the following are examples of principal decisions they made in the year ended 30 June 2022:

- Evaluating and deciding to move ahead with increasing wind operations, which is part of the Group’s renewables division. In August 2021 the Group acquired a large scale, ready to construct wind site in Australia. This deployment aligns with the Group’s strategy to continue to develop renewable energy sites which provide predictable, long-term revenue streams. The Directors considered the opportunity and how it aligned with the Group’s objectives to make a positive contribution to the community and environment.
- Reviewing and deciding to move ahead with increasing biomass operations which is part of the Group’s renewables division. In October 2021 the Group acquired a large scale, waste-to-energy construction site in Scotland. This deployment aligns with the Group’s strategy to continue to diversify the Group, develop renewable energy sites which provide predictable, long-term revenue streams, and provide resilience against wholesale pricing changes in the UK energy market. The Directors considered the opportunity and how it aligned with the Group’s objectives to make a positive contribution to the community and environment and considered it would be able to provide a positive contribution.
- The Directors decided to change audit firms via a tender process for the year ended 30 June 2022. The Group had changed significantly since the previous auditors were appointed and therefore, the Group were unable to reliably assess the value for money it received. Three firms underwent the tender process and Ernst & Young LLP were selected because of their strong commercial understanding of the Group’s business, efficient audit methodology and value for money.

Shareholders

The prime medium by which the Group communicates with shareholders is through the annual report and financial statements, which aim to provide shareholders with a full understanding of the Group’s activities and its results. This information is published on the Companies House website.

Cedar Energy and Infrastructure Limited

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

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

Employees

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

The directors of the subsidiary undertakings manage the day-to-day decision making, engagement and communications with employees and ensure that people are treated fairly and are valued with respect to pay, benefit and conditions. The Directors fully realise that the Group's employees wish to be informed and consulted on matters affecting their work and to be involved in problem solving affecting their own areas of interest and responsibility. The Group is firmly committed to a policy of good communication at all levels, and the Group aims to establish a climate which constantly encourages the open flow of information and ideas. Presently this includes monthly team briefings at a local level and the publication of monthly key performance indicators covering output, operating costs, and health and safety.

The health and safety of the Group's employees in the workplace is a continual focus for the Group, given its broad operational business. The Directors review Health & Safety Reporting monthly to ensure appropriate policies and procedures are in place to protect the health and safety of our employees and contractors. Where there are potential deficiencies or issues, these are followed up and resolved on a timely basis with the subsidiaries Board's having oversight of the actions taken.

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

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

Suppliers and customers

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

The Group ensures it acts fairly and in a transparent manner to all customers across all divisions and services, and actively engages to resolve any disputes or defaults. The Directors closely monitor customer metrics and engage with the management teams to understand the issues if business performance does not meet customers' expectations.

The Directors consider Octopus Investments Limited to be a key business partner and supplier with responsibility for the provision of operational oversight, financial administration, and company secretarial services.

Community and environment

The provision and operation of sustainable infrastructure is at the centre of the Group's strategic goals. Through its business activities the Group seeks to make a positive contribution to the community, environment, and economy. The Group's renewable energy business is helping the UK meet its renewable energy targets.

Cedar Energy and Infrastructure Limited

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

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

Business conduct

As Directors our intention is to behave responsibly, ensuring management operate the business with integrity and in accordance with the high standards of conduct and governance expected of a business such as ours. Our intention through our business strategy is to operate in sectors and work with other businesses that share our values.

Business ethics and governance

The Directors are responsible for ensuring that the activities of the Group and its various businesses are conducted in compliance with the law and applicable governance and regulatory regimes, and in adherence with prevailing best practice for the relevant industry. This includes reviewing internal controls, ensuring that there is an appropriate balance of skills and experience, and ensuring that the financial statements give a true and fair view of the state of affairs of the Group. Further detail can be found in the statement of directors' responsibilities on page 8. In the year to 30 June 2022 no areas of concern have been raised in this regard.

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

The Group's policy on employcc, human rights, social and community issues, environment policy and anti-corruption and bribery matters is discussed in the Directors' Report on page 8. The Directors promote a corporate culture that is based on ethical values and behaviours.

Financial key performance indicators ("KPIs")

The Group monitors EBITDA as a measure of performance against detailed Group budgets set at the beginning of the financial year. EBITDA is used in order to eliminate factors that may distort year-on-year comparisons that may arise when using financial measures. As this is considered a non-GAAP financial measure, a reconciliation of EBITDA to the financial results can be found in note 25 of the notes to the financial statements.

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

Objectives and strategies

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

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



E W Fellows
Director

Cedar Energy and Infrastructure Limited

Directors' report for the year ended 30 June 2022

Introduction

The Directors present their report and the audited consolidated financial statements for the year ended 30 June 2022.

Results and dividends

The total profit for the financial year amounted to £107m (2021: loss of £7m (restated)). The Group paid interim dividends of £768m (2021: £93m) during the year. No final dividend was declared by the Company.

Directors

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

P S Latham

M G Setchell

E W Fellows (appointed 21st September 2021)

J C N Digges (resigned 21st September 2021)

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 Director's report by Schedule 7 of the 'Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008', in the Strategic report.

Post balance sheet events

Refer to note 27 in the Notes to the financial statements.

Climate change and environmental impacts

The Group's involvement in renewable energy, as owner and operator of solar and wind farms, biomass and landfill gas, 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 Group's employment, every effort is made to retain them in employment, giving alternative training, as necessary. The Group places great emphasis on internal succession and has a comprehensive training and career development programme applicable to all employees.

Employee Information

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

Future outlook

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

Business ethics and governance

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

Cedar Energy and Infrastructure Limited

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

Statement of directors' responsibilities in respect of the financial statements

The Directors are responsible for preparing the Annual report and financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group and Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 Company and of the profit or loss of the Group for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements 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 Group and Company will continue in business.

The Directors are also responsible for safeguarding the assets of the Group and 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 Group and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Going concern

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

Directors' indemnities

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

Disclosure of information to auditors

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

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

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



E W Fellows
Director

Cedar Energy and Infrastructure Limited

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

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Cedar Energy and Infrastructure Limited ('the Parent Company') and its subsidiaries (the 'Group') for the year ended 30 June 2022 which comprise the Group Statement of Comprehensive Income, the Group and Parent Company Balance Sheet, the Group Statement of Cash Flows, the Group and Parent Statement of Changes in Equity and the related notes 1 to 29, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

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

Basis for opinion

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

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

Conclusions relating to going concern

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

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

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

Cedar Energy and Infrastructure Limited

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

Other information

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

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement set out on page 9, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and

Cedar Energy and Infrastructure Limited

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

using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Parent Company or to cease operations or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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

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

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and determined that the most significant are those that relate to reporting framework (FRS 102 and the Companies Act 2006).
- We understood how Cedar Energy and Infrastructure Limited is complying with those frameworks by making enquiries of management, those charged with governance and those responsible for legal and compliance procedures as to any fraud risk framework within the entity, including whether a formal fraud risk assessment is completed. We corroborated our enquiries through review of the following documentation or performance of the following procedures:
 - obtaining an understanding of entity-level controls and considering the influence of the control environment;
 - obtaining an understanding of policies and procedures in place regarding compliance with laws and regulations, including how compliance with such policies is monitored and enforced; obtaining an understanding of management's process for identifying and responding to fraud risks, including programs and controls established to address risks identified, or otherwise;
 - prevent, deter and detect fraud, and how senior management monitors those programs and controls; and
 - review of board meeting minutes in the period and to date of signing.

Cedar Energy and Infrastructure Limited

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


- We assessed the susceptibility of the Group's financial statements to material misstatement, including how fraud might occur by holding a discussion within the audit team which included:
 - Identification of related parties;
 - Understanding the Group's business, the control environment and assessing the inherent risk for relevant assertions at the significant account level including discussions with management to gain an understanding of those areas of the financial statements which were susceptible to fraud, as identified by management; and
 - Considered the controls that the Group has established to address risks identified by the entity or that otherwise seek to prevent, deter or detect fraud including gaining an understanding of the entity level controls and policies that the Group applies.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved testing of journal entries through journal analytics tools, with focus on manual journals, large or unusual transactions, or journals meeting our defined risk criteria based on our understanding of the business; tested accounting estimates for evidence of management bias; enquiring of members of senior management and those charged with governance regarding their knowledge of any non-compliance or potential non-compliance with laws and regulations that could affect the financial statements; and inspecting correspondence, if any, with the relevant licensing or regulatory authorities.

A further description of our responsibilities for the audit of the financial statements is located on the

Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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



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

20 December 2022

Cedar Energy and Infrastructure Limited

Consolidated statement of comprehensive income for the year ended 30 June 2022

| | Note | 2022 £'000 | 2021 (restated) £'000 |
|--|------|---------------|-----------------------------|
| Turnover | 1 | 589,896 | 321,646 |
| Cost of sales | | (270,102) | (151,493) |
| Gross profit | | 319,794 | 170,153 |
| Administrative expenses | | (190,980) | (163,366) |
| Operating profit | 3 | 128,814 | 6,787 |
| Other income | 2 | 3,137 | 9,244 |
| Share of operating profit in joint venture | | - | 1,755 |
| Profit on disposal of subsidiaries and joint venture | 9 | 29,532 | 28,568 |
| Interest receivable and similar income | 6 | 86 | 12 |
| Interest payable and similar expenses | 7 | (30,536) | (34,248) |
| Profit before tax | | 131,033 | 12,118 |
| Tax on profit | 8 | (24,252) | (19,036) |
| Profit/(loss) for the financial year | | 106,781 | (6,918) |
| Attributable to Cedar Energy and Infrastructure Limited | | 106,435 | (6,299) |
| Minority Interest | 20 | 346 | (619) |
| Profit/(loss) for the financial year | | 106,781 | (6,918) |
| Other comprehensive income | | | |
| Movements in cash flow hedges | | 77,984 | 44,983 |
| Foreign exchange gain on retranslation of subsidiaries | | 12,439 | 4,959 |
| Other comprehensive income for the year | | 90,423 | 49,942 |
| Total comprehensive income for the year | | 197,204 | 43,024 |
| Attributable to | | | |
| Owners of the parent | | 196,858 | 43,643 |
| Non-controlling interests | | 346 | (619) |

All results relate to continuing operations.

Note 28 details the prior period adjustments.

Cedar Energy and Infrastructure Limited

Consolidated balance sheet as at 30 June 2022

| | Note | 2022 £'000 | 2021 (restated) £'000 |
|--|------|------------------|-----------------------------|
| Fixed assets | | | |
| Intangible assets | 9 | 495,351 | 527,158 |
| Tangible assets | 10 | 1,624,660 | 1,468,871 |
| | | 2,120,011 | 1,996,029 |
| Current assets | | | |
| Stocks | 13 | 26,466 | 19,558 |
| Debtors | 14 | 226,303 | 130,629 |
| Cash at bank and in hand | | 151,830 | 111,644 |
| | | 404,599 | 261,831 |
| Creditors: amounts falling due within one year | 15 | (237,114) | (130,664) |
| Net current assets | | 167,485 | 131,167 |
| Total assets less current liabilities | | 2,287,496 | 2,127,196 |
| Creditors: amounts falling due after more than one year | 16 | (956,868) | (867,541) |
| Provisions for liabilities | 18 | (90,278) | (52,442) |
| Net assets | | 1,240,350 | 1,207,213 |
| Capital and reserves | | | |
| Called up share capital | 19 | 11,176 | 5,137 |
| Share premium account | | 1,106,395 | 508,597 |
| Merger reserve | | 268,569 | 268,569 |
| Cash flow hedge reserve | | 63,005 | (14,979) |
| Profit and loss account | | (218,356) | 430,674 |
| Total shareholders' funds | | 1,230,789 | 1,197,998 |
| Non-controlling interests | 20 | 9,561 | 9,215 |
| Capital employed | | 1,240,350 | 1,207,213 |

Note 28 details the prior period adjustments. The financial statements on pages 14 to 64 were approved by the Board of Directors on 16 December 2022 and signed on its behalf by:



E W Fellows, Director
Company number: 12203483

Cedar Energy and Infrastructure Limited

Company balance sheet as at 30 June 2022

| | Note | 2022 £'000 | 2021 £'000 |
|---|------|---------------|---------------|
| Fixed assets | | | |
| Investments | 11 | 1,666,499 | 1,440,622 |
| Current assets | | | |
| Debtors | 14 | 1,050 | 840 |
| Cash at bank and in hand | | 551 | 5 |
| | | 1,601 | 845 |
| Creditors: amounts falling due within one year | 15 | (195) | (634) |
| Net current assets | | 1,406 | 211 |
| Total assets less current liabilities | | 1,667,905 | 1,440,833 |
| Net assets | | 1,667,905 | 1,440,833 |
| Capital and reserves | | | |
| Called up share capital | 19 | 11,176 | 5,137 |
| Share premium account | | 1,106,395 | 508,597 |
| Profit and loss account | | 550,334 | 927,099 |
| Total shareholders' funds | | 1,667,905 | 1,440,833 |

The Company has elected to take the exemption under section 408 of the Companies Act 2006, from presenting its individual profit and loss account. The profit for the financial period dealt with in the financial statements of the Company was £391,141,000 (2021: £46,456,000).

The financial statements on pages 14 to 64 were approved by the Board of Directors on 16 December 2022 and signed on its behalf by



E W Fellows, Director
Company number: 12203483

Cedar Energy and Infrastructure Limited

Consolidated statement of changes in equity for the year ended 30 June 2022 (restated)

| | Called up share capital | Share premium account | Cash flow hedge reserve | Merger reserve | Profit and loss account | Total shareholders' funds | Non-controlling interest | Capital employed |
|---|-------------------------|-----------------------|-------------------------|----------------|-------------------------|---------------------------|--------------------------|------------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Balance as at 30 June 2020 | 1,064 | 105,355 | (63,837) | 268,569 | 514,166 | 825,317 | 11,675 | 836,992 |
| Effects of prior period adjustments (note 28) | - | - | 3,875 | - | 8,821 | 12,696 | - | 12,696 |
| Restated balance as at 30 June 2020 | 1,064 | 105,355 | (59,962) | 268,569 | 522,987 | 838,013 | 11,675 | 849,688 |
| Loss for the financial year (restated) | - | - | - | - | (6,299) | (6,299) | (619) | (6,918) |
| Acquisition of minority interest | - | - | - | - | 1,832 | 1,832 | (1,841) | (9) |
| Issue of ordinary share capital | 4,073 | 403,242 | - | - | - | 407,315 | - | 407,315 |
| Dividends paid | - | - | - | - | (92,805) | (92,805) | - | (92,805) |
| Foreign exchange movements | - | - | - | - | 4,959 | 4,959 | - | 4,959 |
| Movements on cash flow hedge reserve | - | - | 44,983 | - | - | 44,983 | - | 44,983 |
| Restated balance as at 30 June 2021 | 5,137 | 508,597 | (14,979) | 268,569 | 430,674 | 1,197,998 | 9,215 | 1,207,213 |
| Profit for the financial year | - | - | - | - | 106,435 | 106,435 | 346 | 106,781 |
| Issue of share capital | 6,039 | 597,798 | - | - | - | 603,837 | - | 603,837 |
| Dividends paid | - | - | - | - | (767,904) | (767,904) | - | (767,904) |
| Foreign exchange movements | - | - | - | - | 12,439 | 12,439 | - | 12,439 |
| Movements on cash flow hedge reserve | - | - | 77,984 | - | - | 77,984 | - | 77,984 |
| Balance as at 30 June 2022 | 11,176 | 1,106,395 | 63,005 | 268,569 | (218,356) | 1,230,789 | 9,561 | 1,240,350 |

Note 28 details the prior period adjustments.

Cedar Energy and Infrastructure Limited

Company statement of changes in equity for the year ended 30 June 2022

| | Called up share capital £'000 | Share premium account £'000 | Profit and loss account £'000 | Total shareholders' funds £'000 |
|---|--|--------------------------------------|--|--|
| Balance as at 30 June 2020 | 1,064 | 105,355 | 973,448 | 1,079,867 |
| Shares issued during the year | 4,073 | 403,242 | - | 407,315 |
| Total comprehensive income for the year | - | - | 46,456 | 46,456 |
| Dividends paid | - | - | (92,805) | (92,805) |
| Balance as at 30 June 2021 | 5,137 | 508,597 | 927,099 | 1,440,833 |
| Shares issued during the year | 6,039 | 597,798 | - | 603,837 |
| Total comprehensive income for the year | - | - | 391,139 | 391,139 |
| Dividends paid | - | - | (767,904) | (767,904) |
| Balance as at 30 June 2022 | 11,176 | 1,106,395 | 550,334 | 1,667,905 |

Cedar Energy and Infrastructure Limited

Consolidated statement of cash flows for the year ended 30 June 2022

| | Note | 2022 £'000 | 2021 Restated £'000 |
|---|------|----------------|---------------------------|
| Cash flows from operating activities | | | |
| Profit/(loss) for the financial year attributable to the owners of the parent | | 106,435 | (6,299) |
| Adjustments for: | | | |
| Tax on profit on ordinary activities | 8 | 24,252 | 19,036 |
| Interest receivable and similar income | 6 | (86) | (12) |
| Interest payable and other similar charges | 7 | 30,536 | 34,248 |
| Profit on disposal of subsidiaries | 9 | (29,532) | (28,568) |
| Income from joint venture | | - | (1,755) |
| Amortisation of intangible fixed assets | 9 | 34,859 | 36,502 |
| Impairment of intangible fixed assets | 9 | 7,913 | - |
| Depreciation of tangible fixed assets | 10 | 91,601 | 79,157 |
| Movements on derivatives and foreign exchange | | (16,288) | (19,816) |
| Decrease/(increase) in stock | 13 | (6,908) | 2,354 |
| Decrease/(increase) in debtors | | (42,245) | (428) |
| (Decrease)/increase in creditors | | (25,694) | (56,993) |
| Non-controlling interests | 20 | 346 | (619) |
| Tax received | | 14,844 | (4,165) |
| Net cash generated from operating activities | | 190,033 | 52,642 |

Cedar Energy and Infrastructure Limited

Consolidated statement of cash flows for the year ended 30 June 2022 (continued)

| | 2022 | 2021 |
|---|------------------|-------------------|
| | £'000 | Restated £'000 |
| Cash flows from investing activities | | |
| Purchase of subsidiary undertakings (net of cash acquired) | (52,161) | (174,666) |
| Sale of subsidiary undertakings (net of cash disposed) | 119,068 | 45,065 |
| Sale of intangible assets | 9 | 286 |
| Purchase of intangible assets | 9 | - |
| Purchase of tangible fixed assets | (177,289) | (46,701) |
| Interest received | 6 | 86 |
| Income from joint venture | - | 1,077 |
| Dividends paid | (767,904) | (92,805) |
| Net cash used in investing activities | (882,278) | (267,732) |
| Cash flows from financing activities | | |
| Proceeds from financing | 201,719 | - |
| Repayments of financing | (43,813) | (212,676) |
| Interest paid | 7 | (33,102) |
| Proceeds from share issue | 19 | 603,837 |
| Net cash generated from financing activities | 731,207 | 161,537 |
| Net increase/(decrease) in cash and cash equivalents | 38,962 | (53,553) |
| Cash and cash equivalents at the beginning of the year | 111,644 | 164,657 |
| Exchange gain on cash and cash equivalents | 1,224 | 540 |
| Cash and cash equivalents at the end of the year | 151,830 | 111,644 |

Cedar Energy and Infrastructure Limited

Statement of accounting policies

Company information

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

Statement of compliance

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

Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

The consolidated financial statements include the results of all subsidiaries owned by Cedar Energy and Infrastructure Limited as listed in note 12 of the annual financial statements. The majority of these subsidiaries, referenced in note 12, have taken the exemption from an audit for the year ended 30 June 2022 permitted by section 479A of Companies Act 2006. In order to allow these subsidiaries to take the audit exemption, the ultimate parent company Fern Trading Limited has given a statutory guarantee, in line with section 479C of Companies Act 2006, of all the outstanding net liabilities as at 30 June 2022, of the subsidiaries listed in note 12 taking the exemption.

Going concern

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

The Directors perform an annual going concern review at Fern Trading Limited Group ('Fern Group') level that considers the Group's ability to meet its financial obligations as they fall due, for a period of at least twelve months after the date that the financial statements have been signed. Fern Trading Limited provides a letter of support for Cedar Energy and Infrastructure Limited and its subsidiaries ('Cedar Group').

Due to the challenging market conditions management have performed an assessment to determine whether there are any material uncertainties arising that could cast significant doubt on the ability of the Group to continue as a going concern. No significant issues have been noted and as a consequence, the directors believe that the Group is well placed to manage its business risks successfully despite the current uncertain economic outlook. In reaching this conclusion the Directors have reviewed the financial impact of the uncertainty on the Group's balance sheet, profit and loss and cashflows with specific consideration to the following areas:

- A reverse stress test was performed on the base case forecast to ascertain what scenarios would result in risks to the Fern Group's liquidity position. The test showed even in an unlikely scenario of a significant reduction of revenue of 46%, the Fern Group is able to sustain its current operational costs and meet all liabilities as they fall due for at least a year from the date of signing these financial statements when utilising the available facilities within the Fern Group.

Cedar Energy and Infrastructure Limited

Statement of accounting policies (continued)

- The Fern Group has a number of financing facilities that contain covenants requiring the Group to maintain specified financial ratios and comply with certain other financial covenants. These financial covenants are tested bi-annually, and, at the dates of this report, the Fern Group is in compliance with all its financial covenants. Stress tests on reasonably plausible scenarios such as a significant reduction in EBITDA of 84% over time have been used to assess the covenant requirements for the at least the next 12 months and all covenants have been forecast to be met.
- At 30 June 2022, the Cedar Group had available cash of £152m and access to facilities of £419m. Debt of £75m is due to mature in less than one year, with the remainder of £957m payable in more than one year. Cedar Group's facilities, repayment dates and undrawn amounts are set out in Note 17 Loans and Borrowings.
- Key accounting judgement and estimates have been made with consideration given to the current economic outlook. Key estimates including stock provisions, decommissioning, impairment of goodwill and investment values and have been set out on pages 28-29.

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

Basis of consolidation

The consolidated financial statements include the results of Cedar Energy and Infrastructure Limited and all its subsidiary undertakings made up to the same accounting date. All intra-group balances, transactions, income and expenses are eliminated in full on consolidation. The results of subsidiary undertakings acquired or disposed of during the period are included or excluded from the income statement from the effective date of acquisition or disposal.

All undertakings over which the Group exercises control, being the power to govern the financial and operating policies to obtain benefits from their activities, are consolidated as subsidiary undertakings. Where a subsidiary has different accounting policies to the Group, adjustments are made to those subsidiary financial statements to apply the Group's accounting policies when preparing the consolidated financial statements.

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

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

Exemptions for qualifying entities under FRS 102

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

The Company has taken advantage of the following exemptions:

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

Cedar Energy and Infrastructure Limited

Statement of accounting policies (continued)

Foreign currency

i. Functional and presentation currency

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

ii. Transactions and balances

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

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

iii. Translation

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

Turnover

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

Employee benefits

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

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

ii. Defined contribution pension plan

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

Cedar Energy and Infrastructure Limited

Statement of accounting policies (continued)

Finance costs

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

Current and deferred tax

Tax is recognised in the statement of income and retained earnings, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

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

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

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

Business combinations and goodwill

Business combinations are accounted for by applying the purchase method.

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

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

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

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

Goodwill is amortised over its expected useful life which is determined based on the expected lifespan of the assets acquired. Where the Group is unable to make a reliable estimate of useful life, goodwill is amortised over a period not exceeding ten years. Goodwill is assessed for impairment annually or as and when there are indicators of impairment and any impairment charged is recognised in the profit and loss.

Cedar Energy and Infrastructure Limited

Statement of accounting policies (continued)

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives. Depreciation commences from the date an asset is brought into service. Land and assets under construction are not depreciated. The estimated useful lives are as follows:

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

Assets under construction are stated at cost. These assets are not depreciated until they are available for use.

Where factors, such as technological advancement or changes in market price, indicate that residual value or useful life have changed, the residual value, useful life or depreciation rate are amended prospectively to reflect the new circumstances. The assets are reviewed for impairment if the above factors indicate that the carrying amount may be impaired.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within profit or loss.

Intangible assets

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated, using the straight-line method, to allocate the depreciable amount of the assets to their residual values over their estimated useful lives, as follows:

- Development rights 25 to 30 years

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

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

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

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

Leases

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

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

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

Cedar Energy and Infrastructure Limited

Statement of accounting policies (continued)

Investments

The Company holds investments in subsidiaries at cost less accumulated impairment losses. If an impairment loss is subsequently reversed, the carrying amount of the investment is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised in prior periods. Impairment charges and any subsequent reversal is recognised in the profit and loss account.

Cash

Cash includes cash in hand and deposits repayable on demand.

Stocks

Raw materials, spare parts and consumables are valued at the lower of cost and net realisable value. Where necessary, a provision is made for obsolete, slow-moving and defective stock. Cost is determined on the first-in, first-out (FIFO) method.

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

Fuel stock of straw has been valued at the historical cost per tonne of straw. A provision for unusable straw is identified on an individual stack basis and is reviewed monthly. Stocks are used on a first in, first out ("FIFO") basis by age of straw.

Stocks of ash and Fibrophos are valued at the lower of cost and net realisable value to the Group.

Accrued income

Energy income is accrued over the period in which it has been generated.

Deferred income

Deferred income is recognised in accordance with the terms set out in the contract. Deferred income is released to the profit and loss account in the period to which it relates.

Financial instruments

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

Financial assets

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

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

Cedar Energy and Infrastructure Limited

Statement of accounting policies (continued)

Financial instruments (continued)

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

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price.

Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except those investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

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

Financial liabilities

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

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

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

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

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

Hedging

The Group applies hedge accounting for transactions entered into to manage the cash flow exposures of borrowings. Interest rate swaps are held to manage the interest rate exposures and are designated as cash flow hedges of floating rate borrowings. Changes in the fair values of derivatives designated as cash flow hedges, and which are effective, are recognised directly in equity. Any ineffectiveness in the hedging relationship (being the excess of the cumulative change in fair value of the hedging instrument since inception of the hedge over the cumulative change in the fair value of the hedged item since inception of the hedge) is recognised in the profit and loss.

The gain or loss recognised in other comprehensive income is reclassified to the profit and loss in accordance with the cash flows of the hedged item. Hedge accounting is discontinued when the hedging instrument expires,

Cedar Energy and Infrastructure Limited

no longer meets the hedging criteria, the forecast transaction is no longer highly probable, the hedged debt instrument is derecognised or the hedging instrument is terminated.

Statement of accounting policies (continued)

Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the profit and loss account in the year that the Group becomes aware of the obligation and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

Share capital

Ordinary shares issued by the Group are recognised in equity at the value of the proceeds received, with the excess over nominal value being credited to share premium.

Non-controlling interests

Non-controlling interests are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

Key accounting judgements and estimates

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The key estimates and judgements in preparing these financial statements are:

- i) Decommissioning provisions (estimate)

The provision for decommissioning costs is measured at management's best estimate of the present value of the expenditure required to settle the future obligation to return land on which there are operational wind and solar farms, to its original condition. The level of the provisions is determined to a significant degree by the estimation of future dismantling and restoration costs, as well as the timing of dismantlement.

Wind Farms (estimate):

Management note that decommissioning provisions is a critical estimate and have therefore performed sensitivity analysis. The results of the sensitivity analysis conclude that a change of +/- one per cent in the discount rate would have resulted in £2.1m increase/decrease in the provision. See note 18 for the provision recognised at 30 June 2022. Management utilise external expertise to provide an estimated cost to dismantle and have used a discount rate of 2% to reflect the time in value of money and the risks specific to the obligation.

Australian solar farms (judgement):

The Group is required to restore the leased premises of the solar farm to their original condition at the end of the lease term. A provision was previously recognised, however in the current year this judgement has been reassessed and management believe the lessor may wish to either take title of the assets for either continued use or to realise value through selling the assets and as such do not believe that an outflow is probable to settle this restoration obligation.

Cedar Energy and Infrastructure Limited

Statement of accounting policies (continued)

Key accounting judgements and estimates (continued)

UK Solar (estimate):

During the year, a third party performed an assessment of the base cost of the decommissioning of the Group's UK solar farms. The findings have resulted in material change in the cost estimate and therefore a provision has been recognised for the first time on some sites. The impact has resulted in a provision being raised for £18m to the balance sheet decommissioning liability and fixed assets. As at 30 June 2022 there is no impact on the profit and loss. Sites not affected are addressed below.

French and UK Solar (judgment):

Management believe that given the nature of these particular assets, the lessor may wish to either take title of the assets for either continued use or to realise value through selling the assets and as such do not believe that an outflow is probable to settle this restoration obligation. Management will continue to monitor the situation at each balance sheet date.

(ii) Impairment of goodwill and investments (estimate):

The value of goodwill held by the Group and investments in subsidiary undertakings held by the Company is reviewed annually for impairment. The recoverability of these balances is considered with reference to the present value of the estimated future cash flows. These calculations use cash flow projections which extend forward forecast business performance together with assumptions surrounding the expected life of the asset, externally prepared forecasts and valuations, and any adjustments required to the discount rate to take account of business risk. The estimated present value of these future cash flows is sensitive to the discount rate and growth rate used in the calculation, all of which require management's judgement. Testing of the carrying value has been performed during the year, which has involved several scenarios being modelled. Based on this testing and the resulting impairment, management believes there is sufficient headroom to support the carrying value of goodwill and investments in subsidiary entities.

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

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

(iv) Cash flow hedges (judgement):

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

(v) Business combinations (estimate):

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

On acquisition of a business, fair values are attributed to the identifiable assets, liabilities, and contingent liabilities unless the fair value cannot be measured reliably, in which case the value is incorporated as goodwill. Where the fair value of contingent liabilities cannot be reliably measured, they are disclosed on the same basis as other contingent liabilities. More details are included on page 24.

Cedar Energy and Infrastructure Limited

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

1 Turnover

| | 2022 | 2021 |
|---|----------------|----------------|
| Analysis of income by category | £'000 | £'000 |
| Energy operations – solar, reserve power and wind | 366,370 | 182,033 |
| Energy operations – biomass and landfill* | 223,526 | 139,613 |
| | 589,896 | 321,646 |

*Included in biomass and landfill income is £8,132,000 (2021: £5,119,000) relating to the sale of fertiliser.

| | 2022 | 2021 |
|--|----------------|----------------|
| Analysis of income by geography | £'000 | £'000 |
| United Kingdom | 482,009 | 281,936 |
| Europe | 84,400 | 31,100 |
| Rest of world | 23,487 | 8,610 |
| | 589,896 | 321,646 |

2 Other income

| | 2022 | 2021 |
|---|--------------|--------------|
| Other income | £'000 | £'000 |
| Liquidated damages and insurance proceeds | 3,137 | 9,244 |

Cedar Energy and Infrastructure Limited

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

3 Operating profit/(loss)

| | | 2022 | 2021 |
|--|-------------|--------|-------------------|
| | | £'000 | £'000 |
| Operating profit/(loss) is stated after charging: | Note | | (restated) |
| Amortisation of intangible fixed assets | 9 | 34,859 | 36,502 |
| Impairment of intangible fixed assets | 9 | 7,913 | - |
| Depreciation of tangible fixed assets – owned by the Group | 10 | 91,601 | 79,157 |
| Stock recognised as an expense | 13 | 63,863 | 41,212 |
| The audit of the Group's consolidated financial statements | | 20 | 13 |
| The audit of the Company's subsidiaries | | 711 | 762 |
| The preparation of the financial statements for the Company's subsidiaries | | 352 | 99 |
| Other non-audit services | | - | 185 |
| Tax compliance services | | 276 | 245 |
| Loss on foreign exchange currencies | | 8,045 | 4,444 |
| Operating lease rentals | | 11,208 | 6,954 |

4 Staff costs

| | 2022 | 2021 |
|-----------------------------|---------------|---------------|
| Group | £'000 | £'000 |
| Wages and salaries | 13,043 | 12,279 |
| Social security costs | 1,548 | 1,405 |
| Other pension contributions | 587 | 571 |
| | 15,178 | 14,255 |

The Group provides a defined contribution schemes for its employees in the UK. The amount recognised as an expense for the defined contribution scheme is shown in the table above.

Cedar Energy and Infrastructure Limited

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

4 Staff costs (continued)

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

| | 2022 | 2021 |
|----------------|------------|------------|
| | Number | Number |
| Production | 193 | 195 |
| Administration | 68 | 61 |
| Directors | 3 | 3 |
| | 264 | 259 |

The Company had no employees during 2022 (2021: none).

5 Directors' remuneration

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

| | 2022 | 2021 |
|-----------|--------|--------|
| Group | Number | Number |
| Directors | 3 | 3 |

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

6 Interest receivable and similar income

| | 2022 | 2021 |
|------------------------|-------|-------|
| | £'000 | £'000 |
| Bank interest received | 86 | 12 |

Cedar Energy and Infrastructure Limited

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

7 Interest payable and similar expenses

| | 2022 | 2021 |
|---|---------------|---------------|
| | £'000 | £'000 |
| Interest on bank borrowings | 29,174 | 32,558 |
| Amortisation of bank loan costs | 2,597 | 1,103 |
| (Profit)/loss on derivative financial instruments | (1,235) | 587 |
| | 30,536 | 34,248 |

8 Tax

(a) Tax expense included in statement of comprehensive income

| | 2022 | 2021 |
|--|---------------|---------------|
| | £'000 | £'000 |
| <i>Current tax:</i> | | |
| UK Corporation tax credit/(charge) on profit/(loss) for the year | 16,700 | 2,554 |
| Adjustment in respect of previous periods | 2,343 | 530 |
| Foreign tax adjustment | 5,641 | - |
| Total current tax charge | 24,684 | 3,084 |
| <i>Deferred tax:</i> | | |
| Origination and reversal of timing differences | (198) | 2,253 |
| Effect of change in tax rates | 3,895 | 11,461 |
| Adjustments in respect of prior period | (4,129) | 2,238 |
| Total deferred tax charge (notes 15 and 16) | (432) | 15,952 |
| Total tax charge | 24,252 | 19,036 |

Cedar Energy and Infrastructure Limited

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

8 Tax (continued)

(b) Reconciliation of tax expense/(credit)

| | 2022 | 2021 |
|---|----------------|---------------|
| | | (restated) |
| | £'000 | £'000 |
| Loss before taxation | 131,033 | 12,118 |
| Profit/(loss) before taxation multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%) | 24,896 | 2,302 |
| Effects of: | | |
| Expenses not deductible for tax purposes | 3,222 | 4,375 |
| Deferred tax not recognised | (2,372) | - |
| Non-taxable income | (4,640) | (7,724) |
| Effects of overseas tax rates | 554 | - |
| Losses carried forward | - | (1,954) |
| Adjustment in respect of prior period | (1,786) | 2,284 |
| Effects of group relief | - | (2) |
| Effect of changes in tax rates | 3,669 | 11,461 |
| Other | 709 | 8,294 |
| Tax charge/(credit) for the year (note 8) | 24,252 | 19,036 |

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

(a) Factors that may affect future tax charge

The Finance Act 2021 enacted on 10 June 2021 increased the main rate of UK corporation tax from 19% to 25%, effective 1 April 2023. Deferred taxes on the balance sheet have been measured at 25% (2021: 25%) which represents the future corporation tax rate that was enacted at the balance sheet date.

Note 28 details the prior period adjustments.

Cedar Energy and Infrastructure Limited

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

9 Intangible assets

| Group | Goodwill (restated) £'000 | Intangibles £'000 | Total (restated) £'000 |
|---------------------------------|---------------------------------|----------------------|------------------------------|
| Cost | | | |
| At 1 July 2021 (restated) | 675,303 | 10,214 | 685,517 |
| Additions | 16,230 | 4,078 | 20,308 |
| Disposals | (19,303) | - | (19,303) |
| Gain on translation | 7,930 | - | 7,930 |
| At 30 June 2022 | 680,160 | 14,292 | 694,452 |
| Accumulated amortisation | | | |
| At 1 July 2021 (restated) | 157,326 | 1,033 | 158,359 |
| Disposals | (1,933) | - | (1,933) |
| Charge for the year | 34,337 | 523 | 34,860 |
| Impairment | 7,913 | - | 7,913 |
| Gain on translation | (98) | - | (98) |
| At 30 June 2022 | 197,546 | 1,556 | 199,101 |
| Net book value | | | |
| At 30 June 2022 | 482,614 | 12,737 | 495,351 |
| At 30 June 2021 (restated) | 517,977 | 9,181 | 527,158 |

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

Details of the subsidiaries acquired during the year ended 30 June 2022 can be found in note 23.

On 23rd December 2021 Fern Trading Development Limited, a subsidiary of the Group sold the entire share capital of Nordic Power Development Limited for £113m with a profit on disposal of £28m being recognised in the profit and loss account. Goodwill relating to this sale was £19.3m with accumulated amortisation of £1.9m.

Additional deferred consideration was realised on subsidiary sales from prior years for £1.5m.

Prior year profit on disposal of subsidiaries totalled £10.5m, with profit on disposal of its joint venture recognised of £18.1m.

Opening balances in respect of goodwill have been restated due to prior period adjustments, details of which can be found in note 28.

Impairment of £7.9m has been recognised on goodwill (2021: none).

The Company had no intangible assets as at 30 June 2022 (2021: none).

Cedar Energy and Infrastructure Limited

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

10 Tangible assets

| | Land and buildings £'000 | Power stations £'000 | Plant and machinery £'000 | Assets under construction £'000 | Total £'000 |
|--|-----------------------------------|----------------------------|---------------------------------|--|------------------|
| Cost | | | | | |
| At 1 July 2021 (restated) | 9,499 | 317,467 | 1,622,811 | 10,924 | 1,960,701 |
| Additions | 16 | 1,537 | 70,657 | 137,242 | 209,452 |
| Acquired through business combinations | 1,308 | - | 50,927 | 57,663 | 109,898 |
| FX movement | - | - | 337 | 3,294 | 3,631 |
| Transfers | - | 68 | 18 | (87) | (1) |
| Disposals | (135) | - | (75,951) | - | (76,086) |
| At 30 June 2022 | 10,688 | 319,072 | 1,668,799 | 209,036 | 2,207,595 |
| Accumulated depreciation | | | | | |
| At 1 July 2021 (restated) | 400 | 90,059 | 401,371 | - | 491,830 |
| Charge for the year | 115 | 17,130 | 74,356 | - | 91,601 |
| Disposals | (31) | - | (498) | - | (529) |
| FX movement | - | - | 33 | - | 33 |
| At 30 June 2022 | 484 | 107,189 | 475,262 | - | 582,935 |
| Net book value | | | | | |
| At 30 June 2022 | 10,204 | 211,883 | 1,193,537 | 209,036 | 1,624,660 |
| At 30 June 2021 (restated) | 9,099 | 227,408 | 1,221,440 | 10,924 | 1,468,871 |

Opening balances of plant and machinery have been restated due to prior period adjustments, details of which can be found in note 28.

No assets have been pledged as security for liabilities at year ended 2022 (2021: none)

There were no tangible fixed assets held by the Company (2021: none).

Cedar Energy and Infrastructure Limited

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

11 Investments

| Company | Investments in subsidiary undertakings £'000 |
|---------------------------------------|---|
| Cost | |
| At 1 July 2021 | 1,592,014 |
| Additions | 261,014 |
| At 30 June 2022 | 1,853,028 |
| Accumulated impairment | |
| At 1 July 2021 | 151,392 |
| Impairment | 35,137 |
| At 30 June 2022 | 186,529 |
| Net book value at 30 June 2022 | 1,666,499 |
| Net book value at 30 June 2021 | 1,440,622 |

The Directors believe that the carrying value of the investments is supported by their underlying net assets. As at 30th June 2022, a detailed review was performed across the Group to assess the recoverable amount of each subsidiary against the valuation. It was determined that across the Group, there were net impairments of £35m.

Cedar Energy and Infrastructure Limited

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

12 Subsidiary undertakings

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

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

Cedar Energy and Infrastructure Limited

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

12 Subsidiary undertakings (continued)

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

Cedar Energy and Infrastructure Limited

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

12 Subsidiary undertakings (continued)

| Name | Country of incorporation | Class of shares | Holding | Principle activity |
|---|--------------------------|-----------------|---------|--------------------|
| CLPE ROC - 4 Limited ^a | UK | Ordinary | 100% | Energy generation |
| CLPE ROC - 4A Limited ^a | UK | Ordinary | 100% | Energy generation |
| Clyne Power Limited ^a | UK | Ordinary | 100% | Energy generation |
| Colsterworth Energy Limited ^a | UK | Ordinary | 100% | Energy generation |
| Connon Bridge Energy Limited ^a | UK | Ordinary | 100% | Energy generation |
| Cotesbach Energy Limited ^a | UK | Ordinary | 100% | Energy generation |
| Cour Wind Farm (Scotland) Limited ^d | UK | Ordinary | 100% | Energy generation |
| Crapnell Farm Limited ^a | UK | Ordinary | 100% | Energy generation |
| Craymarsh Limited ^a | UK | Ordinary | 100% | Energy generation |
| Cressing Solar Farm Limited ^a | UK | Ordinary | 100% | Energy generation |
| Culvery Power Limited ^a | UK | Ordinary | 100% | Energy generation |
| Cynon Power Limited ^a | UK | Ordinary | 100% | Energy generation |
| Dafen Reserve Power Limited ^a | UK | Ordinary | 100% | Energy generation |
| Dairy House Solar Limited ^a | UK | Ordinary | 100% | Energy generation |
| Darlington Point Holdco Pty Limited ^a | Australia | Ordinary | 100% | Holding company |
| Darlington Point Solar Farm Pty Limited ^a | Australia | Ordinary | 91% | Holding company |
| Darlington Point Subholdco Pty Limited ^a | Australia | Ordinary | 100% | Holding company |
| Deepdale Farm Solar Ltd ^a | UK | Ordinary | 100% | Energy generation |
| Doveryard Limited ^a | UK | Ordinary | 100% | Energy generation |
| Drapers Farm Limited ^a | UK | Ordinary | 100% | Energy generation |
| Dulacca Energy Project Co Pty Ltd ^e | Australia | Ordinary | 100% | Energy generation |
| Dulacca Energy Project FinCo Pty Ltd ^e | Australia | Ordinary | 100% | Holding company |
| Dulacca Energy Project Holdco Co Pty Ltd ^e | Australia | Ordinary | 100% | Energy generation |
| Dulacca WF Holdco Pty Ltd ^e | Australia | Ordinary | 100% | Holding company |
| DY Oldhall Energy Recovery Limited ^a | UK | Ordinary | 100% | Dormant company |
| Dyffryn Brodyn Limited ^a | UK | Ordinary | 100% | Energy generation |
| Eakring Limited ^a | UK | Ordinary | 100% | Holding company |
| Elecsol Camargue S.a.r.l. ^b | France | Ordinary | 100% | Energy generation |
| Elecsol France 11 S.a.r.l. ^b | France | Ordinary | 90% | Energy generation |

Cedar Energy and Infrastructure Limited

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

12 Subsidiary undertakings (continued)

| Name | Country of incorporation | Class of shares | Holding | Principle activity |
|---|--------------------------|-----------------|---------|--|
| Elecsol France 15 S.a.r.l. ^b | France | Ordinary | 90% | Energy generation |
| Elecsol France 19 S.a.r.l. ^b | France | Ordinary | 100% | Energy generation |
| Elecsol France 22 S.a.r.l. ^b | France | Ordinary | 100% | Energy generation |
| Elecsol France 24 S.a.r.l. ^b | France | Ordinary | 100% | Energy generation |
| Elecsol France 25 S.a.r.l. ^b | France | Ordinary | 100% | Energy generation |
| Elecsol France 28 S.a.r.l. ^b | France | Ordinary | 100% | Energy generation |
| Elecsol France 41 S.a.r.l. ^b | France | Ordinary | 100% | Energy generation |
| Elecsol France 7 S.a.r.l. ^b | France | Ordinary | 100% | Energy generation |
| Elecsol Haut Var S.a.r.l. ^b | France | Ordinary | 100% | Energy generation |
| Elios Energy 2 France SAS ^b | France | Ordinary | 100% | Holding company |
| Elios Energy 2 Limited ^a | UK | Ordinary | 100% | Holding company |
| Elios Energy 3 France SAS ^f | France | Ordinary | 100% | Holding company |
| Elios Energy Holdings 2 Limited ^a | UK | Ordinary | 100% | Holding company |
| Elios Energy Holdings 3 Limited ^a | UK | Ordinary | 100% | Holding company |
| Elios Energy Holdings Limited ^a | UK | Ordinary | 100% | Holding company |
| Elios Renewable Energy Limited ^a | UK | Ordinary | 100% | Holding company |
| Ellicombe Limited ^a | UK | Ordinary | 100% | Energy generation |
| Energy Power Resources Limited ^a | UK | Ordinary | 100% | Energy project development and management services |
| EPR Ely Limited ^a | UK | Ordinary | 100% | Energy generation |
| EPR Eye Limited ^a | UK | Ordinary | 100% | Energy generation |
| EPR Glanford Limited ^a | UK | Ordinary | 100% | Energy generation |
| EPR Renewable Energy Limited ^a | UK | Ordinary | 100% | Holding company |
| EPR Scotland Limited ^b | UK | Ordinary | 100% | Energy generation |
| EPR Thetford Limited ^a | UK | Ordinary | 100% | Energy generation |
| Eucalyptus Energy Holdings Limited ^a | UK | Ordinary | 100% | Holding company |
| Eucalyptus Energy Limited ^a | UK | Ordinary | 100% | Holding company |
| Feltwell Energy Limited ^a | UK | Ordinary | 100% | Energy generation |
| Fern Energy Cour Holdings Limited ^a | UK | Ordinary | 100% | Holding company |
| Fern Energy Holdings Limited ^a | UK | Ordinary | 100% | Holding company |

Cedar Energy and Infrastructure Limited

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

12 Subsidiary undertakings (continued)

| Name | Country of incorporation | Class of shares | Holding | Principle activity |
|---|--------------------------|-----------------|---------|----------------------|
| Fern Energy Limited ^a | UK | Ordinary | 100% | Holding company |
| Fern Energy Wind Holdings Limited ^a | UK | Ordinary | 100% | Holding company |
| Fern Renewable Energy Limited ^a | UK | Ordinary | 100% | Holding company |
| Fern Rooftop Solar (A) Limited ^a | UK | Ordinary | 100% | Energy generation |
| Fern Rooftop Solar (BBD) Limited ^a | UK | Ordinary | 100% | Energy generation |
| Fern Rooftop Solar (Zestec) Limited ^a | UK | Ordinary | 100% | Energy generation |
| Fern Trading Development Limited ^a | UK | Ordinary | 100% | Holding company |
| Fern UK Power Developments Limited ^a | UK | Ordinary | 100% | Holding company |
| Fibrophos Limited ^a | UK | Ordinary | 100% | Supply of fertiliser |
| Four Burrows Limited ^a | UK | Ordinary | 100% | Energy generation |
| Fraisthorpe Wind Farm Ltd ^a | UK | Ordinary | 100% | Energy generation |
| Garlaff Energy Limited ^c | UK | Ordinary | 100% | Dormant company |
| Glenchamber Wind Energy Limited ⁱ | UK | Ordinary | 100% | Energy generation |
| Grange Wind Farm Limited ^a | UK | Ordinary | 100% | Energy generation |
| Guardbridge sp. z o.o. ^j | Poland | Ordinary | 100% | Energy generation |
| Harbourne Power Limited ^a | UK | Ordinary | 100% | Energy generation |
| Haymaker (Mount Mill) Ltd ^a | UK | Ordinary | 100% | Energy generation |
| Haymaker (Natewood) Holdings Limited ^a | UK | Ordinary | 100% | Holding company |
| Haymaker (Natewood) Ltd ^a | UK | Ordinary | 100% | Energy generation |
| Haymaker (Oaklands) Holdings Limited ^a | UK | Ordinary | 100% | Holding company |
| Haymaker (Oaklands) Ltd ^a | UK | Ordinary | 100% | Energy generation |
| Helm Power 2 Limited ^a | UK | Ordinary | 100% | Holding company |
| Helm Power Limited ^a | UK | Ordinary | 100% | Holding company |
| Higher Knapp Farm Limited ^a | UK | Ordinary | 100% | Energy generation |
| Hill End Farm Limited ^a | UK | Ordinary | 100% | Energy generation |
| Hollamoor Limited ^a | UK | Ordinary | 100% | Energy generation |
| Hull Reserve Power Limited ^a | UK | Ordinary | 100% | Energy generation |
| Hursit SPV 1 Limited ^a | UK | Ordinary | 100% | Energy generation |
| Immingham Power Limited ^a | UK | Ordinary | 100% | Energy generation |

Cedar Energy and Infrastructure Limited

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

12 Subsidiary undertakings (continued)

| Name | Country of incorporation | Class of shares | Holding | Principle activity |
|---|--------------------------|-----------------|---------|-----------------------|
| Irwell Power Limited ^a | UK | Ordinary | 100% | Energy generation |
| Jameson Road Energy Limited ^a | UK | Ordinary | 100% | Energy generation |
| Kiln Power Limited ^a | UK | Ordinary | 100% | Energy generation |
| Larigan Power Limited ^a | UK | Ordinary | 100% | Energy generation |
| Lenham Solar Limited ^a | UK | Ordinary | 100% | Energy generation |
| Little T Solar Limited ^a | UK | Ordinary | 100% | Energy generation |
| Littleton Solar Farm Limited ^a | UK | Ordinary | 100% | Energy generation |
| Loddon Power Limited ^a | UK | Ordinary | 100% | Energy generation |
| Lovedean Limited ^a | UK | Ordinary | 100% | Energy generation |
| Luminance Solar Limited ^a | UK | Ordinary | 100% | Energy generation |
| Manston Thorne Limited ^a | UK | Ordinary | 100% | Energy generation |
| March Energy Limited ^a | UK | Ordinary | 100% | Energy generation |
| Marden Power Limited ^a | UK | Ordinary | 100% | Energy generation |
| Marley Thatch Solar Ltd ^a | UK | Ordinary | 100% | Energy generation |
| Meadows Farm Limited ^a | UK | Ordinary | 100% | Energy generation |
| Melbourn Solar Limited ^a | UK | Ordinary | 100% | Energy generation |
| Melton LG Energy Limited ^a | UK | Ordinary | 100% | Holding company |
| Melton LG Holding Limited ^a | UK | Ordinary | 100% | Holding company |
| Melton LG ROC Limited ^a | UK | Ordinary | 100% | Asset leasing company |
| Melton Renewable Energy (Holdings) Limited ^a | UK | Ordinary | 100% | Holding company |
| Melton Renewable Energy Newco Limited ^a | UK | Ordinary | 100% | Holding company |
| Melton Renewable Energy UK Limited ^a | UK | Ordinary | 100% | Holding company |
| Mill Hill Farm Solar Limited ^a | UK | Ordinary | 100% | Energy generation |
| Mingay Farm Holding Limited ^a | UK | Ordinary | 100% | Holding company |
| MSP Decoy Ltd ^a | UK | Ordinary | 100% | Energy generation |
| MSP Strete Ltd ^a | UK | Ordinary | 100% | Energy generation |
| MSP Tregassow Limited ^a | UK | Ordinary | 100% | Energy generation |
| MTS Hatchlands Solar Ltd ^a | UK | Ordinary | 100% | Energy generation |
| Nevern Power Limited ^a | UK | Ordinary | 100% | Energy generation |

Cedar Energy and Infrastructure Limited

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

12 Subsidiary undertakings (continued)

| Name | Country of incorporation | Class of shares | Holding | Principle activity |
|---|--------------------------|-----------------|---------|--------------------|
| New Row Farm Limited ^a | UK | Ordinary | 100% | Energy generation |
| Newlands Solar Limited ^a | UK | Ordinary | 100% | Energy generation |
| Ninnis Farm Limited ^a | UK | Ordinary | 100% | Energy generation |
| North Perrott Fruit Farm Limited ^a | UK | Ordinary | 100% | Energy generation |
| Northwich Power Limited ^a | UK | Ordinary | 100% | Energy generation |
| Notos Energy Limited ^a | UK | Ordinary | 100% | Holding company |
| Ogmore Power Limited ^a | UK | Ordinary | 100% | Energy generation |
| Oldhall Energy Recovery Holdings Limited ^a | UK | Ordinary | 100% | Holding company |
| Orta Wedgehill Solar Holdings Limited ^a | UK | Ordinary | 100% | Holding company |
| Orta Wedgehill Solar Limited ^a | UK | Ordinary | 100% | Energy generation |
| Palfreys Barton Limited ^a | UK | Ordinary | 100% | Energy generation |
| Parciau Holdings Limited ^a | UK | Ordinary | 100% | Holding company |
| Parciau Limited ^a | UK | Ordinary | 100% | Energy generation |
| Pearmat Solar 2 Ltd ^a | UK | Ordinary | 100% | Energy generation |
| Pitchford (Condover Airfield & Stockbatch) Limited ^a | UK | Ordinary | 100% | Energy generation |
| Pitts Farm Limited ^a | UK | Ordinary | 100% | Energy generation |
| Porthos Solar Limited ^a | UK | Ordinary | 100% | Holding company |
| Pyms Lane Solar Ltd ^a | UK | Ordinary | 100% | Energy generation |
| Queens Park Road Energy Limited ^a | UK | Ordinary | 100% | Energy generation |
| Reaches Farm Limited ^a | UK | Ordinary | 100% | Energy generation |
| Redlake Power Limited ^a | UK | Ordinary | 100% | Energy generation |
| Ryston Estate Limited ^a | UK | Ordinary | 100% | Energy generation |
| Sammat S.a.r.l. ^b | France | Ordinary | 100% | Energy generation |
| Selby Power Limited ^a | UK | Ordinary | 100% | Energy generation |
| Singrug Holdings Limited ^a | UK | Ordinary | 100% | Holding company |
| Singrug Limited ^a | UK | Ordinary | 100% | Energy generation |
| Six Hills Lane (Ragdale) Limited ^a | UK | Ordinary | 100% | Energy generation |
| Skelbrooke Energy Limited ^a | UK | Ordinary | 100% | Energy generation |
| Slaughtergate Limited ^a | UK | Ordinary | 100% | Energy generation |

Cedar Energy and Infrastructure Limited

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

12 Subsidiary undertakings (continued)

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

Cedar Energy and Infrastructure Limited

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

12 Subsidiary undertakings (continued)

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

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

Cedar Energy and Infrastructure Limited

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

12 Subsidiary undertakings (continued)

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

| | |
|--|------------|
| Beinneun Holdings Limited | 20/07/2021 |
| Ridge Wind Acquisition Limited | 20/07/2021 |
| Fern Energy RidgeWind Acquisitions Limited | 14/09/2021 |
| Fern Energy RidgeWind Holdings Limited | 21/09/2021 |
| Fern Energy Partnerships Holdings Limited | 21/09/2021 |
| Fraisthorpe (Holding) Limited | 29/03/2022 |
| DY Oldhall Energy Recovery Limited | 13/09/2022 |
| Darlington Point Holdco Pty Limited | 08/07/2022 |
| Darlington Point Solar Farm Pty Limited | 08/07/2022 |
| Darlington Point Subholdco Pty Limited | 08/07/2022 |
| Saunamaa Wind Farm Oy | 23/12/2021 |
| Voyrinkangas Wind Farm Oy | 23/12/2021 |
| Nordic Power Development Limited | 23/12/2021 |

The following subsidiary was acquired after year end:

| | |
|----------------------------------|------------|
| Fern Rooftop Solar (BBD) Limited | 09/08/2022 |
|----------------------------------|------------|

The registered address^a of the subsidiaries listed are:

- ^a 6th Floor, 33 Holborn, London, EC1N 2HT, England United Kingdom
- ^b 22 rue Alphonse de Neuville 75017 Paris, France
- ^c Pinsent Masons LLP, Capital Square, 58 Morrison Street, Edinburgh, Scotland, EH3 8BP
- ^d 4th Floor Saltire Court, 20 Castle Terrace, Edinburgh, Scotland, EH1 2EN
- ^e 6th Floor, 2 Grand Canal Square, Dublin 2, D02 A342, Ireland
- ^f Zone Industrielle de Courtine 115 Rue du Mourelet 84000 Avignon, France
- ^g Level 33, 101 Collins Street, Melbourne, Victoria, 3000, Australia
- ^h 1 West Regent Street, Glasgow, G2 1AP, United Kingdom
- ⁱ Beaufort Court, Egg Farm Lane, Kings Langley, Hertfordshire, WD4 8LR
- ^j ul. Grzybowska 2/29, 00-131, Warsaw, Poland

Cedar Energy and Infrastructure Limited

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

13 Stocks

| | 2022 | 2021 |
|-----------------------------------|---------------|---------------|
| Group | £'000 | £'000 |
| Ash stock | 1,538 | 2,195 |
| Fuel, spare parts and consumables | 24,928 | 17,363 |
| | 26,466 | 19,558 |

The amount of stock recognised as an expense during the year was £63,863,000 (2021: £41,242,000).

Included in the fuel, spare parts and consumables stock value is a provision of £390,000 for unusable fuel stock (2021: £459,000).

There has been no impairment recognised during the year on stock (2021: none). No inventory has been pledged as security for liabilities (2021: none).

The Company had no stocks to disclose at 30 June 2022 (2021: £Nil).

14 Debtors

| | 2022 | Group 2021 restated | 2022 | Company 2021 |
|--|----------------|---------------------------|--------------|-----------------|
| Amounts falling due within one year | £'000 | £'000 | £'000 | £'000 |
| Trade debtors | 23,649 | 12,535 | - | - |
| Other debtors | 8,621 | 15,397 | - | - |
| Prepayments and accrued income | 139,624 | 92,544 | 1,050 | 840 |
| Derivative financial instruments (note 22) | 54,409 | 6,469 | - | - |
| Corporation tax | - | 3,684 | - | - |
| | 226,303 | 130,629 | 1,050 | 840 |

Trade debtors are stated after provisions for impairment of £Nil (2021: £Nil). Accrued income is stated after provisions for impairment of £Nil (2021: £Nil).

Cedar Energy and Infrastructure Limited

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

15 Creditors: amounts falling due within one year

| | Group | | Company | |
|--|----------------|----------------|------------|------------|
| | 2022 | 2021 | 2022 | 2021 |
| | | Restated | | |
| | £'000 | £'000 | £'000 | £'000 |
| Bank loans and overdrafts (note 17) | 75,426 | 47,386 | - | - |
| Other loans | 507 | - | - | - |
| Trade creditors | 34,658 | 18,928 | - | 4 |
| Amounts owed to parent undertaking | 31,186 | - | 24 | 68 |
| Other creditors | 20,996 | 19,524 | - | 292 |
| Deferred consideration | - | 5,150 | - | - |
| Derivative financial instruments (note 22) | - | 143 | - | - |
| Other taxation and social security | 4,219 | 578 | - | - |
| Accruals and deferred income | 51,961 | 38,954 | 171 | 270 |
| Corporation tax | 18,161 | - | - | - |
| | 237,114 | 130,663 | 195 | 634 |

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

16 Creditors: amounts falling due after more than one year

| | Group | |
|---|----------------|----------------|
| | 2022 | 2021 |
| | £'000 | £'000 |
| Amounts falling due between one and five years | | |
| Bank loans and overdrafts (note 17) | 383,071 | 247,297 |
| Deferred consideration | 381 | 380 |
| | 383,452 | 247,677 |

| | Group | |
|---|----------------|----------------|
| | 2022 | 2021 |
| | £'000 | £'000 |
| Amounts falling due after more than five years | | |
| Bank loans and overdrafts (note 17) | 573,416 | 577,235 |
| Derivative financial instruments (note 22) | - | 42,629 |
| | 573,416 | 619,864 |
| Total creditors falling due after more than one year | 956,868 | 867,541 |

The Company has no creditors falling due after more than one year to disclose (2021: none).

Opening balances have been restated due to prior period adjustments, details of which can be found in note 28.

Cedar Energy and Infrastructure Limited

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

17 Loans and other borrowings

| | Group | | Company | |
|--------------------------------|------------------|----------------|---------|-------|
| | 2022 | 2021 | 2022 | 2021 |
| Bank loans | £'000 | £'000 | £'000 | £'000 |
| Due in one year | 75,426 | 47,386 | - | - |
| Due between one and five years | 383,071 | 247,297 | - | - |
| Due in more than five years | 573,416 | 577,235 | - | - |
| | 1,031,913 | 871,918 | - | - |

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

| Company | Interest rate | 2022 | 2021 |
|---|---|------------------|----------------|
| | | £'000 | £'000 |
| Viners Energy Limited | 6 month SONIA plus 1.6% | 429,138 | 438,140 |
| Cedar Energy and Infrastructure Limited | SONIA/EURIBOR plus 2% | - | - |
| Elios Energy 2 France SAS | Fixed rate: (1,70%) Floating rate : (Euribor3m +1,20%) | 30,946 | 8,613 |
| Elios Energy 3 France SAS | 1.2% + 6 month EURIBOR rate per annum | 56,079 | 26,382 |
| Boomerang Energy Limited | Jul21-Mar22: 6M Libor + 1.5% | 284,348 | 295,344 |
| Zestec Asset Management Limited | Apr22-Jun22: 6M Sonia + 1.5% | 44 | - |
| Darlington Point Solar Farm Pty Limited | 2.5% Fixed rate | 114,026 | - |
| Dulacca WF Holdco PTY Ltd | 6.49% (swap rate of 4.59% + 1.9% margin) | 31,614 | - |
| Melton Renewable Energy UK Limited | 1.7% + BBSY | 85,718 | 103,439 |
| | 6 month SONIA plus 2.35% | 1,031,913 | 871,918 |

SONIA replaced LIBOR as the effective interbank lending rate system from 1 January 2022. The rate change resulted in no commercial impact to the business.

Cedar Energy and Infrastructure Limited

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

18 Provisions for liabilities

| Group | Decommissioning provision £'000 | Deferred tax £'000 | Total £'000 |
|---|---------------------------------------|-----------------------|----------------|
| At 1 July 2021 (restated) | 20,439 | 32,003 | 52,442 |
| Impairments | 16 | - | 16 |
| Adjustment relating to change in accounting estimate | (3,373) | - | (3,373) |
| Increase recognised in fixed assets/acquisitions | 23,656 | 1,032 | 24,688 |
| Increase recognised in profit and loss | 36 | 3,697 | 3,733 |
| Increase recognised in OCI | - | 16,652 | 16,652 |
| Unwinding of discount rate | 249 | - | 249 |
| Adjustment in respect of prior periods | - | (4,129) | (4,129) |
| At 30 June 2022 | 41,023 | 49,255 | 90,278 |

The decommissioning provision is held to cover future obligations to return land on which there are operational wind, biomass, and solar farms, to their original condition. The amounts are not expected to be utilised for more than 25 years.

The Company had no provisions at 30 June 2022 (2021: none)

19 Called up share capital

| | 2022 £'000 | Group 2021 £'000 | 2022 £'000 | Company 2021 £'000 |
|---|---------------|------------------------|---------------|--------------------------|
| Allotted, called-up and fully paid | | | | |
| 1,117,570,620 (2021: 513,734,115) | | | | |
| Ordinary shares of £0.01 | 11,176 | 5,137 | 11,176 | 5,137 |

During the year the Group issued 603,836,505 (2021: 407,314,729) ordinary shares of £0.01 each with an aggregate nominal value of £6,038,365 (2021: £4,073,147). Total consideration of £603,836,505 (2021: £407,314,700) was paid for the shares, giving rise to a premium of £597,798,140 (2021: £403,241,582).

During the year the Group also cancelled nil (2021: nil) ordinary shares, with a nominal value of £Nil (2021: £Nil) and associated share premium of £Nil (2021: £Nil).

During the year the Company issued 603,836,505 (2021: 407,314,729) ordinary shares of £0.01 each with an aggregate nominal value of £6,038,365 (2021: £4,073,147). Total consideration of £603,836,505 (2021: £407,314,700) was paid for the shares, giving rise to a premium of £597,798,140 (2021: £403,241,582).

Cedar Energy and Infrastructure Limited

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

19 Called up share capital (continued)

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

Merger reserve

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

Cashflow hedge reserve

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

20 Non-controlling interests

The movement in non-controlling interests was as follows:

| Group | 2022 | 2021 |
|---|--------------|--------------|
| | £'000 | £'000 |
| At 1 July 2021 | 9,215 | 11,675 |
| Acquisition of minority interest holdings – note 23 | - | (1,841) |
| Total comprehensive loss attributable to non-controlling interests | 346 | (619) |
| At 30 June 2022 | 9,561 | 9,215 |

The Company had no non-controlling interests to disclose at 30 June 2022.

21 Contingencies

As at 30 June 2022 there were no contingencies across the Group or Company.

Cedar Energy and Infrastructure Limited

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

22 Financial instruments

The Group has the following financial instruments:

| | Group (restated) | | Company | |
|---|---------------------|---------------|---------------|---------------|
| | 2022 £'000 | 2021 £'000 | 2022 £'000 | 2021 £'000 |
| Carrying amount of financial assets | | | | |
| Debt instruments measured at amortised cost | 32,270 | 27,932 | - | - |
| Measured at fair value through other comprehensive income | 54,409 | 6,469 | - | - |
| Carrying amount of financial liabilities | | | | |
| Measured at amortised cost | 1,084,731 | 896,464 | - | 4 |
| Measured at fair value through other comprehensive income | - | 42,772 | - | - |

The Group's financial risk management seeks to minimise the exposure to market risk, credit risk, liquidity and cash flow risk and energy market risk. Note 28 details the prior period adjustments.

(a) Market risk

Currency risk

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

Transactional exposures

Transactional exposures arise from administrative and other expense in currencies other than the Group's presentational currency (Sterling). The Group enters forwards foreign exchange contracts and foreign exchange swaps to mitigate the exchange rate risk for certain foreign currency payables and receipts on a case by case basis. The forward currency contracts and swaps are measured at fair value, which is determined using valuation techniques that utilise observable inputs. The key inputs used in valuing the derivatives are the forward exchange rates for GBP:AUD and GBP:EUR. At 30 June 2022 the fair value of the foreign currency contracts was an asset of £Nil (2021: £6,469,000).

Translational exposures

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

Cedar Energy and Infrastructure Limited

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

22 Financial instruments (continued)

Interest rate risk

The Group has exposure to fluctuations in interest rates on its borrowings. Where the Group enters into borrowing arrangements with floating rate interest, a swap arrangement is entered into to fix a portion of the interest in order to mitigate against an increase in interest rates. The portion of interest to be fixed is assessed on a case by case basis. Management can elect whether to hedge account for these arrangements on an individual transaction basis and have elected to apply hedge accounting for interest rate swaps. The swaps are based on a principal amount of the loan facility and mature on the same date. On 30 June 2022 the outstanding interest rate swaps have a maturity in excess of five years and the fair value is an asset of £54.4m (2021: liability of £42.7m).

(b) Credit risk

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

(c) Liquidity risk

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

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

Cedar Energy and Infrastructure Limited

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

23 Business combinations

a) Reserve Power Acquisitions

On 2nd July 2021, the Group acquired 9 reserve power sites, through the purchase of 100% of the share capital for £18.

The following tables summarise the consideration paid by the Group, the fair value of the assets acquired, and the liabilities assumed at the acquisition date.

| Consideration | £'000 |
|----------------------------|--------------|
| Cash | - |
| Total consideration | - |

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

| | Book Value £'000 | Adjustments £'000 | Fair Value £'000 |
|--|-----------------------------|------------------------------|-----------------------------|
| Fixed assets | 80,788 | (28,553) | 52,235 |
| Trade and other debtors | 294 | - | 294 |
| Prepayments and accrued income | 635 | - | 635 |
| Cash and cash equivalents | 7,858 | - | 7,858 |
| Trade and other creditors | (2,206) | - | (2,206) |
| Other loans | (58,816) | - | (58,816) |
| Net assets/liabilities acquired | 28,553 | (28,553) | - |
| Goodwill | | | - |
| Total consideration | | | - |

There was no goodwill resulting from the business combination.

The consolidated statement of comprehensive income for the year includes £45,802,846 revenue and a profit before tax of £686,004 in respect of this acquisition.

Cedar Energy and Infrastructure Limited

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

23 Business combinations (continued)

b) Doveryard Limited Acquisition

On 22 October 2021, the Group acquired Doveryard Limited, through the purchase of 100% of the share capital for consideration of £13,414,000.

The following tables summarise the consideration paid by the Group, the fair value of assets acquired, and liabilities assumed at the acquisition date.

| Consideration | £'000 |
|-----------------------------|---------------|
| Cash | 12,377 |
| Directly attributable costs | 1,037 |
| Total consideration | 13,414 |

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

| | Book Value | Adjustments | Fair Value |
|--------------------------------|-------------------|--------------------|-------------------|
| | £'000 | £'000 | £'000 |
| Fixed assets | 569 | - | 569 |
| Trade and other debtors | 53 | - | 53 |
| Cash and cash equivalents | - | - | - |
| Prepayments and accrued income | 193 | - | 193 |
| Trade and other creditors | (467) | - | (467) |
| Net assets acquired | 348 | - | 348 |
| Goodwill | | | 13,067 |
| Total consideration | | | 13,415 |

Goodwill resulting from the business combination was £13,067,000 and has an estimated useful life of 25 years, reflecting the lifespan of the assets acquired.

The consolidated statement of comprehensive income for the year includes £Nil revenue and a loss before tax of £233,000 in respect of this acquisition.

Cedar Energy and Infrastructure Limited

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

23 Business combinations (continued)

c) Dulacca acquisition

On the 27th of August 2021, the Group acquired Dulacca a wind farm construction group of 4 companies, through the purchase of 100% of the share capital for £115,680,000.

The following tables summarise the consideration paid by the Group, the fair value of assets acquired, and liabilities assumed at the acquisition date. The entities acquired are included in note 12.

| Consideration | AUD'000 | Exchange Rate | £'000 |
|-----------------------------|----------------|--------------------------|----------------|
| Cash | 217,557 | 1.8904 | 115,085 |
| Directly attributable costs | 1,126 | 1.8904 | 595 |
| Total consideration | 218,683 | | 115,680 |

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

| | Book Value | Adjustm ents | Fair Value | Book Value | Adjustm ents | Fair Value |
|------------------------------|-----------------------|-------------------------|-----------------------|-----------------------|-------------------------|-----------------------|
| | AUD'000 | AUD'000 | AUD'000 | £'000 | £'000 | £'000 |
| Fixed assets | 107,633 | - | 107,633 | 56,937 | - | 56,937 |
| Cash and cash equivalents | 103,072 | - | 103,072 | 54,525 | - | 54,525 |
| Accruals and deferred income | (10,952) | - | (10,952) | (5,793) | - | (5,793) |
| Trade and other debtors | 10,131 | - | 10,131 | 5,357 | - | 5,357 |
| Net assets acquired | 209,884 | - | 209,884 | 111,026 | - | 111,026 |
| Intangible | | | 8,799 | | | 4,654 |
| Total consideration | | | 218,683 | | | 115,680 |

Intangibles resulting from the business combination was £4,654,000 and has an estimated useful life of 30 years, reflecting the lifespan of the assets acquired.

The consolidated statement of comprehensive income for the year includes revenue of £Nil and a loss after tax of £236,892 in respect of this acquisition.

Cedar Energy and Infrastructure Limited

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

23 Business combinations (continued)

d) Zestec Asset Management Limited acquisition

On 31st January 2021, the Group acquired Zestec Asset Management Limited, through the purchase of 100% of the share capital for consideration of £4,766,000.

The following tables summarise the consideration paid by the Group, the fair value of assets acquired, and liabilities assumed at the acquisition date.

| Consideration | £'000 |
|-----------------------------|--------------|
| Cash | 3,673 |
| Directly attributable costs | 1,093 |
| Total consideration | 4,766 |

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

| | Book Value | Adjustments | Fair Value |
|-------------------------------|-------------------|--------------------|-------------------|
| | £'000 | £'000 | £'000 |
| Long Term Incentive Programme | 1,483 | - | 1,483 |
| Trade and other debtors | 401 | - | 401 |
| Fixed assets | 156 | - | 156 |
| Cash and cash equivalents | 1,019 | - | 1,019 |
| Trade and other creditors | (574) | - | (574) |
| Other loans | (46) | - | (46) |
| Long Term Incentive Programme | (1,483) | - | (1,483) |
| Net assets acquired | 956 | - | 956 |
| Goodwill | | | 3,810 |
| Total consideration | | | 4,766 |

Goodwill resulting from the business combination was £3,810,000 and has an estimated useful life of 10 years, reflecting the estimated lifespan of the assets acquired.

The consolidated statement of comprehensive income for the year includes £1,490,040 of revenue and a profit before tax of £877,682 in respect of this acquisition.

Cedar Energy and Infrastructure Limited

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

24 Capital and other commitments

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

| | 2022 | Group 2021 |
|---|---------|---------------|
| | £'000 | £'000 |
| Contracted for but not provided in these financial statements | 346,898 | 85,894 |

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

The Group had no other off-balance sheet arrangements (2021: none)

The Company had no capital or other commitments as at 30 June 2022 (2021: none).

25 Reconciliation to Non-GAAP Financial Measures

Earnings before interest, tax, depreciation and amortisation ("EBITDA") is calculated by adjusting profit after tax for interest, tax, depreciation and amortisation, in addition to income and expenses that do not relate to the day to day operations of the Group. We provide EBITDA in addition to profit after tax as it allows us to assess the performance without the effects of financing and capital expenditures.

| Group | Note | 2022 £'000 | 2021 (restated) £'000 |
|---|------|----------------|-----------------------------|
| Profit/(loss) for the financial year | | 106,781 | (6,918) |
| Add | | | |
| Amortisation of intangible assets | 9 | 34,859 | 36,502 |
| Impairment of intangible assets | 9 | 7,913 | - |
| Depreciation of tangible assets | 10 | 91,601 | 79,157 |
| Interest payable and similar expenses | 7 | 30,536 | 34,248 |
| Tax | 8 | 24,252 | 12,594 |
| Less | | | |
| Share of operating profit in joint venture | | - | (1,755) |
| Profit on disposal of subsidiaries | | (29,532) | (28,568) |
| Interest receivable and similar income | 6 | 86 | 12 |
| EBITDA | | 266,496 | 125,272 |

Note 28 details the prior period adjustments.

Cedar Energy and Infrastructure Limited

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

26 Related party transactions

Under FRS 102 33.1A disclosures need not be given of transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

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

During the year, the Group acquired nine reserve power sites from companies managed by Octopus Investments Limited, a related party. See note 23 a) for details of the acquisition.

27 Post Balance Sheet Events

On 8 July 2022, Fern Trading Development Limited ("FTDL"), a subsidiary of Cedar Energy and Infrastructure Limited, successfully sold Darlington Point HoldCo Pty Ltd and its subsidiaries to Octopus Australia Master Trust. A small profit of £0.7m was made on the sale.

28 Prior period adjustments

a) Group accounting review

We have conducted a review of prior years' accounting treatment of intercompany restructuring. In this review management identified unamortised goodwill balances in relation to these transactions. We have adjusted the previous years to reflect the implementation of amortisation backdated to when the relevant transactions occurred. The accumulated impact for the goodwill amortisation in the profit and loss for 2021 was £8m (2020: £5.3m) the movement of £2.7m has been restated throughout the 2021 comparative numbers

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

| | Year ended 30 June 2020 (as stated) £'000 | Adjustments £'000 | Year ended 30 June 2020 (restated) £'000 |
|-------------------|--|----------------------|---|
| Group | | | |
| Goodwill | 569,497 | (5,335) | 564,162 |
| Retained earnings | 514,166 | 5,335 | 519,501 |

| | Year ended 30 June 2021 (as stated) £'000 | Accumulated adjustments £'000 | Year ended 30 June 2021 (restated) £'000 |
|-------------------|--|-------------------------------------|---|
| Group | | | |
| Goodwill | 553,988 | (8,049) | 545,939 |
| Retained earnings | 425,747 | 8,049 | 433,796 |

Cedar Energy and Infrastructure Limited

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

28 Prior period adjustments (continued)

As part of the review of the intergroup restructuring mentioned above, management identified one of the restructures had been incorrectly accounted for in a sub section of the group. The accumulated impact for goodwill amortisation in the profit and loss for 2021 was £2.5m (2020: £1.3m), the movement of £1.2m has been restated throughout the 2021 comparative numbers. This impact to the 2020 opening retained earnings was offset by £2.1m written back against bad debt expenses. No further errors were discovered in the review.

Management have corrected the identified error with the following impact:

| Group | Year ended 30 June 2020 (as stated) £'000 | Adjustments £'000 | Year ended 30 June 2020 (restated) £'000 |
|--|--|----------------------|---|
| Goodwill | 569,497 | (29,183) | 540,314 |
| Retained earnings | (514,166) | 899 | (513,267) |
| Creditors: amounts falling due within one year | (223,551) | 496 | (223,055) |
| Debtors | 126,679 | (2,724) | 123,955 |
| Fixed assets | 1,284,984 | 30,512 | 1,315,496 |

| Group | Year ended 30 June 2021 (as stated) £'000 | Accumulated adjustments £'000 | Year ended 30 June 2021 (restated) £'000 |
|--|--|-------------------------------------|---|
| Goodwill | 553,988 | (27,963) | 526,025 |
| Retained earnings | (425,747) | (321) | (426,068) |
| Creditors: amounts falling due within one year | (139,965) | 496 | (139,469) |
| Debtors | 133,353 | (2,724) | 130,629 |
| Fixed assets | 1,438,359 | 30,512 | 1,468,871 |

b) Deferred tax adjustment

This year we have conducted a review of all consolidation entries at subsections of the group. We have identified an error relating to 2019 when deferred tax adjustments were entered as a consolidation entry and had subsequently not been reversed. We have checked the tax per subsidiary account and have ensured that the relevant balances are correct. The error was posted at a consolidated level only and has now been corrected. The tax charge impact in the profit and loss for 2019 was £4.8m.

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

| Group | Year ended 30 June 2020 (as stated) £'000 | Adjustments £'000 | Year ended 30 June 2020 (restated) £'000 |
|--|--|----------------------|---|
| Retained earnings | (514,166) | (4,764) | (518,930) |
| Creditors: amounts falling due within one year | (223,551) | 4,764 | (218,787) |

Cedar Energy and Infrastructure Limited

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

28 Prior period adjustments (continued)

This has a knock effect into June 2021, the restated balances are as follows:

| Group | Year ended 30 June 2021 (as stated) £'000 | Accumulated Adjustments £'000 | Year ended 30 June 2021 (restated) £'000 |
|--|--|-------------------------------------|---|
| Retained earnings | (425,747) | (4,764) | (430,511) |
| Creditors: amounts falling due within one year | (139,965) | 4,764 | (135,201) |

In preparing the tax computations for 2022, the Group's tax advisors have noticed an overlooked assumption in previous years tax consolidation calculations. Within the previously unrecognised deferred tax assets held within the group some were available on a consolidated level to offset the Group's deferred tax liability. On an individual company basis the deferred tax in previous years had been correctly recognised. A part of these deferred tax assets are in relation to cash flow hedges held within the group which are accounted for within other comprehensive income. The accumulated impact for the tax charge in the profit and loss for 2021 was £3.8m (2020: £10.3m) the movement of £6.5m has been restated throughout the 2021 comparative numbers.

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

| Group | Year ended 30 June 2020 (as stated) £'000 | Adjustments £'000 | Year ended 30 June 2020 (restated) £'000 |
|-------------------------|--|----------------------|---|
| Retained earnings | (514,166) | (10,291) | (524,457) |
| Cash flow hedge reserve | 63,837 | (3,875) | 59,962 |
| Deferred tax provisions | (36,422) | 14,166 | (22,256) |

| Group | Year ended 30 June 2021 (as stated) £'000 | Accumulated Adjustments £'000 | Year ended 30 June 2021 (restated) £'000 |
|-------------------------|--|-------------------------------------|---|
| Retained earnings | (425,747) | (3,849) | (429,596) |
| Cash flow hedge reserve | 17,098 | (2,119) | 14,979 |
| Deferred tax provisions | (37,971) | 5,968 | (32,003) |

e) Management service fee

In a group wide review of intercompany recharges, management have identified an error posted in the 2021 accounts for Eucalyptus Energy Limited, one of the Group's subsidiaries. The impact for management service fees in the profit and loss for 2021 was £4m which has been restated throughout the 2021 comparative numbers. This correction has resulted in a decrease in creditors and an increase in opening retained earnings as at 30th June 2021 as follows:

Cedar Energy and Infrastructure Limited

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

28 Prior period adjustments (continued)

| Group | Year ended 30 June 2021 (as stated) £'000 | Accumulated adjustments £'000 | Year ended 30 June 2021 (restated) £'000 |
|--|--|-------------------------------------|---|
| Retained earnings | (425,747) | (4,042) | (429,789) |
| Creditors: amounts falling due within one year | (139,965) | 4,042 | (135,923) |

A summary of the total prior period adjustments is below:

| Group | Year ended 30 June 2020 (as stated) £'000 | Adjustments £'000 | Year ended 30 June 2020 (restated) £'000 |
|--|--|----------------------|---|
| Goodwill | 569,497 | (34,517) | 534,980 |
| Retained earnings | (514,166) | (8,821) | (522,987) |
| Creditors: amounts falling due within one year | (223,551) | 5,259 | (218,292) |
| Cash flow hedge reserve | 63,837 | (3,875) | 59,962 |
| Debtors | 126,679 | (2,724) | 123,955 |
| Deferred tax provisions | (36,422) | 14,166 | (22,256) |
| Fixed assets | 1,284,984 | 30,512 | 1,315,496 |

| Group | Year ended 30 June 2021 (as stated) £'000 | Accumulated adjustments £'000 | Year ended 30 June 2021 (restated) £'000 |
|--|--|-------------------------------------|---|
| Goodwill | 553,988 | (36,011) | 517,977 |
| Retained earnings | (425,747) | (4,927) | (430,674) |
| Creditors: amounts falling due within one year | (139,965) | 9,301 | (130,664) |
| Cash flow hedge reserve | 17,098 | (2,119) | 14,979 |
| Debtors | 133,353 | (2,724) | 130,629 |
| Deferred tax provisions | (37,971) | 5,968 | (32,003) |
| Fixed assets | 1,438,359 | 30,512 | 1,468,871 |

Cedar Energy and Infrastructure Limited

29 Controlling party

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

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

Fern Trading Limited is the ultimate controlling party.