

Fern Trading Limited
Report And Financial Statements
30 June 2012

Rees Pollock
Chartered Accountants

COMPANY INFORMATION

Directors	SA Crane PS Latham KJ Willey
Company secretary	OCS Services Limited
Registered office	20 Old Bailey London EC4M 7AN
Auditors	Rees Pollock 35 New Bridge Street London EC4V 6BW
Company number	06447318

DIRECTORS' REPORT

For the year ended 30 June 2012

The directors present their report and the financial statements for the year ended 30 June 2012.

Principal activities and review of business

During the year ending 30 June 2012 the management team of Fern Trading Ltd ('Fern') continued to develop its core strategy of asset backed lending. This was achieved by capitalising on the relationships it established during its first year of trading whilst developing a presence in new sectors. Fern aims to support small and medium enterprises with predictable income streams. As a result Fern has delivered growth in turnover and operating profit in line with objectives of our shareholders. Underlying counterparties have also performed very well during the year.

In the short to medium term we expect to achieve moderate organic growth in all sectors we operate in and despite some evidence of increased activity in credit markets, we believe a combination of the macro-economic environment and volatility in Europe presents an opportunity for Fern to penetrate new sectors and achieve its targets.

Results

The profit for the year, after taxation, amounted to £8,981,168 (2011: £1,930,298)

Directors

The directors who served during the year were:

PS Latham
OCS Services Limited (resigned 1 August 2011)
SA Crane (appointed 1 August 2011)
KJ Willey (appointed 1 August 2011)

Statement of directors' responsibilities

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

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

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

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

DIRECTORS' REPORT
For the year ended 30 June 2012

Provision of information to auditors

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

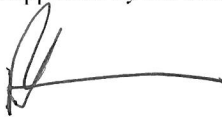
- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

Auditors

The auditors, Rees Pollock, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 6 February 2013 and signed on its behalf.



P S Latham
Director



REESPOLLOCK

Chartered Accountants

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INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF FERN TRADING LIMITED

We have audited the financial statements of Fern Trading Limited for the year ended 30 June 2012, set out on pages 4 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 auditors' 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.

Respective responsibilities of directors and auditors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2012 and of its 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the directors' report.

Catherine Kimberlin (senior statutory auditor)

for and on behalf of

Rees Pollock, Statutory Auditor

12 February 2013

PROFIT AND LOSS ACCOUNT
For the year ended 30 June 2012

	Note	30 June 2012 £	Period ended 30 June 2011 £
TURNOVER	1,2	23,323,670	3,470,042
Cost of sales		-	(150,000)
GROSS PROFIT		23,323,670	3,320,042
Administrative expenses		(11,648,071)	(1,437,448)
Other operating income		-	550
OPERATING PROFIT	3	11,675,599	1,883,144
Profit on disposal of investments		158,042	350,464
Interest receivable and similar income		168,956	306,420
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		12,002,597	2,540,028
Tax on profit on ordinary activities	6	(3,021,429)	(609,730)
PROFIT FOR THE FINANCIAL YEAR	12	8,981,168	1,930,298

All amounts relate to continuing operations.

There were no recognised gains and losses for 2012 or 2011 other than those included in the profit and loss account.

The notes on pages 6 to 13 form part of these financial statements.

BALANCE SHEET
As at 30 June 2012

	Note	£	2012 £	£	2011 £
CURRENT ASSETS					
Stocks	7	8,915,581		-	
Debtors: amounts falling due after more than one year	8	125,863,674		69,615,395	
Debtors: amounts falling due within one year	8	148,630,524		65,451,018	
Investments	9	12,676,967		2,349,128	
Cash at bank		12,222,107		9,924,880	
		<u>308,308,853</u>		<u>147,340,421</u>	
CREDITORS: amounts falling due within one year	10	<u>(5,570,510)</u>		<u>(1,428,700)</u>	
NET CURRENT ASSETS			<u>302,738,343</u>		<u>145,911,721</u>
NET ASSETS			<u>302,738,343</u>		<u>145,911,721</u>
CAPITAL AND RESERVES					
Called up share capital	11		26,067,118		13,134,931
Share premium account	12		265,759,759		130,846,492
Profit and loss account	12		10,911,466		1,930,298
SHAREHOLDERS' FUNDS	13		<u>302,738,343</u>		<u>145,911,721</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 6 February 2013.



P S Latham
Director

The notes on pages 6 to 13 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2012

1. ACCOUNTING POLICIES

Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Cash flow

The company has taken advantage of the exemption in Financial Reporting Standard No.1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

Turnover

Turnover comprises revenue recognised by the company in respect of loan finance supplied during the year, exclusive of value added tax.

Revenue arising is recognised on the following bases unless there is a significant risk that there will be a default on the amount of consideration due:

- Interest income is recognised over the term of the loan on an accruals basis.
- Up front fees charged to customers are non-refundable and, as there are no significant future executory costs, are recognised in turnover upon the signing of the contract.

Investments

Investments are recognised at cost.

The company reviews its investments for indications of impairment on a regular basis. Where such indications are deemed to exist, an impairment loss is recognised such that the investment is written down to its estimated net realisable value.

Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

Cash

Cash includes cash in hand and deposits repayable on demand.

Deferred taxation

Deferred taxation is provided on all timing differences, without discounting, calculated at the rate at which it is estimated that tax will be payable, except where otherwise required by accounting standards.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2012

1. ACCOUNTING POLICIES (continued)

Foreign currencies

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

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

Exchange gains and losses are recognised in the profit and loss account.

2. TURNOVER

Turnover for the period was derived from the company's principal continuing activity which was carried out wholly in the UK.

3. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	30 June 2012	Period ended 30 June 2011
	£	£
Auditors' remuneration	20,000	15,000
Difference on foreign exchange	(4)	(464)
	<u>20,000</u>	<u>(449)</u>

4. STAFF COSTS

Staff costs, including directors' remuneration, were as follows:

	30 June 2012	Period ended 30 June 2011
	£	£
Wages and salaries	45,833	-
Social security costs	2,447	-
	<u>48,280</u>	<u>-</u>

The average monthly number of employees, including the directors, during the year was as follows:

	30 June 2012	Period ended 30 June 2011
	No.	No.
	<u>3</u>	<u>1</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2012

5. DIRECTORS' REMUNERATION

	30 June 2012 £	Period ended 30 June 2011 £
Emoluments	45,833	-

6. TAXATION

	30 June 2012 £	Period ended 30 June 2011 £
UK corporation tax charge on profit for the year/period	3,021,429	609,730

Factors affecting tax charge for the year/period

The tax assessed for the year/period differs from the standard rate of corporation tax in the UK of 26% (2011 - 28%). The differences are explained below:

	30 June 2012 £	Period ended 30 June 2011 £
Profit on ordinary activities before tax	12,002,597	2,540,028
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 26% (2011 - 28%)	3,120,675	711,208
Effects of:		
Expenses not deductible for tax purposes	759	4,096
Book profit on chargeable assets	(41,091)	(98,130)
Indexation	-	38
Adjustment due to changes in tax rates	(58,914)	(7,348)
Other differences	-	(134)
Current tax charge for the year/period (see note above)	3,021,429	609,730

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

7. STOCKS

	2012 £	2011 £
Finished goods and goods for resale	8,915,581	-

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2012

8. DEBTORS

	2012 £	2011 £
Due after more than one year		
Trade debtors	125,863,674	69,615,395
	<u>125,863,674</u>	<u>69,615,395</u>
Due within one year		
Trade debtors	142,694,085	51,682,681
Other debtors	3,567,662	10,286,619
Called up share capital not paid	2,349,697	3,470,195
Prepayments and accrued income	19,080	11,523
	<u>148,630,524</u>	<u>65,451,018</u>

9. CURRENT ASSET INVESTMENTS

	2012 £	2011 £
Unlisted investments	12,676,967	2,349,128
	<u>12,676,967</u>	<u>2,349,128</u>

Unlisted investments represent an investment in Bracken Holdings Limited, a company with key management personnel in common with Fern Trading Limited. This investment represents a 6% (2011: 1%) share of Bracken Holdings Limited's Ordinary share capital.

10. CREDITORS:
Amounts falling due within one year

	2012 £	2011 £
Trade creditors	304,936	54,665
Corporation tax	968,456	609,864
Other creditors	1,603,190	-
Accruals and deferred income	2,693,928	764,171
	<u>5,570,510</u>	<u>1,428,700</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2012

11. SHARE CAPITAL

	2012 £	2011 £
Allotted and called up		
260,671,180 (2011 - 131,349,305) Ordinary shares of £0.10 each	26,067,118	13,134,931

During the year the company issued 129,321,875 (2011: 131,349,303) Ordinary shares of £0.10 each for a consideration of £147,849,960 (2011: £143,981,422), giving rise to a premium of £134,917,772 (2011: £130,846,492).

The amounts of paid up share capital differed from the called up share capital stated above due to unpaid calls as follows:

	2012 £	2011 £
Ordinary shares unpaid	2,349,697	3,470,020

12. RESERVES

	Share premium account £	Profit and loss account £
At 1 July 2011	130,846,492	1,930,298
Profit for the year	-	8,981,168
Premium on shares issued during the year	134,913,267	-
At 30 June 2012	265,759,759	10,911,466

13. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2012 £	2011 £
Opening shareholders' funds	145,911,721	-
Profit for the year/period	8,981,168	1,930,298
Shares issued during the year/period	12,932,187	13,134,931
Share premium on shares issued (net of expenses)	134,913,267	130,846,492
Closing shareholders' funds	302,738,343	145,911,721

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2012

14. RELATED PARTY TRANSACTIONS

Trade debtors (see note 8) include the following entities which have key management personnel in common with Fern Trading Limited ("Fern"):

	Amount included in trade debtors in the year ended 30 June 2012 £	Interest receivable in year ended 30 June 2012 £	Amount included in trade debtors in the year ended 30 June 2011 £	Interest receivable in year ended 30 June 2011 £
Aashman Power Limited	8,412,329	912,329	7,584,247	84,247
Bracken Holdings Limited (i)	228,116	80,298	12,600,211	125,411
Bracken Holdings Limited (ii)	1,535,051	8,166	5,153,518	205,565
Bracken Holdings Limited (iii)	165,411	165,411	4,109,942	66,118
Bracken Holdings Limited (iv)	1,892,505	21,295	-	-
Brunissen Power Limited	2,126,803	26,803	-	-
Chuku Power Limited	3,366,767	16,767	-	-
Daubre Power Limited	160	2	-	-
Debes Power Limited	160	2	-	-
Delambre Power Limited	160	2	-	-
Flammarion Power Limited	1,600,000	-	-	-
Foucault Energy Limited	3,116,767	16,767	-	-
Gnowee Power Limited	88,130	576	848,878	12,562
Grian Power Limited	3,231,734	31,734	-	-
Harpalus Energy Limited	351,467	1,467	-	-
Healthcare Education Business Services Limited	1,197,660	14,364	-	-
Horrebow Energy Limited	466,989	6,233	-	-
Howbery Solar Park Limited	79,749	521	363,452	3,452
JAC Films Holdings Limited	13,935,352	429,131	-	-
Kala Power Limited	11,059,383	224,983	10,967,038	132,638
Mallina Power Limited	318,022	2,947	-	-
MediaCo Business Services Limited	1,514,528	24,227	-	-
Meri Power Limited	2,424,575	50,729	4,042,260	42,260
Misae Power Limited	100,153	296	-	-
Nima Power Limited	220,166	1,438	2,244,000	44,000
Paivatar Power Limited	423,816	5,817	-	-
Personnel Advisory Services Limited	998,365	16,767	-	-
Palk Power Limited	3,651,983	90,739	4,614,231	105,229
Resiliant Corporate Services Limited	377,817	2,533	-	-
Season Ticket Credit Limited (i)	8,543,280	47,166	-	-
Season Ticket Credit Limited (ii)	386,509	4,158	-	-
Season Ticket Credit Limited (iii)	438,198	-	-	-
Sula Power Limited	-	-	2,018,630	18,630
Sunstone Limited	7,600,653	178,935	-	-
Teruko Power Limited	1,200,000	-	-	-
Ticketus LLP	-	-	1,894,225	56,225
Ticketus 2 LLP	-	-	3,570,575	70,575
Ticketus Services 34 Limited	511,342	11,342	-	-
Tonitua Trading 1 Limited	9,488,749	928,429	8,623,643	63,323
Tonitua Trading 2 Limited	1,200,000	-	-	-
Tuwale Power Limited	535,237	13,299	2,427,283	26,963
Zuvan Power Limited	281,171	3,837	-	-
	<u>93,069,257</u>	<u>3,339,510</u>	<u>71,062,133</u>	<u>1,057,198</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2012

RELATED PARTY TRANSACTIONS (continued)

	Interest rate charged (AER) % 2012	Interest rate charged (AER) % 2011
Aashman Power Limited	10	10
Bracken Holdings Limited (i)	Libor + 9.5%	Libor + 9.5%
Bracken Holdings Limited (ii)	Libor + 9.5%	Variable
Bracken Holdings Limited (iii)	Libor + 9.5%	Variable
Bracken Holdings Limited (iv)	Libor + 9.5%	Libor + 9.5%
Brunissen Power Limited	9	-
Chuku Power Limited	9	-
Daubre Power Limited	8	-
Debes Power Limited	8	-
Delambre Power Limited	8	-
Flammarion Power Limited	9	-
Foucault Energy Limited	9	-
Gnowee Power Limited	10	10
Grian Power Limited	9	-
Harpalus Energy Limited	9	-
Healthcare Education Business Services Limited	8	-
Horrebow Energy Limited	8	-
Howbery Solar Park Limited	10	10
JAC Films Holdings Limited	9	-
Kala Power Limited	10	10
Mallina Power Limited	8	-
MediaCo Business Services Limited	8	8
Meri Power Limited	10	10
Misae Power Limited	8	-
Nima Power Limited	10	10
Palvatar Power Limited	8	-
Personnel Advisory Services Limited	8	-
Palk Power Limited	10	10
Resiliant Corporate Services Limited	8	-
Season Ticket Credit Limited (i)	Libor + 9.5%	-
Season Ticket Credit Limited (ii)	Libor + 9.5%	-
Season Ticket Credit Limited (iii)	Libor + 9.5%	-
Sula Power Limited	10	10
Sunstone Limited	8	-
Teruko Power Limited	9	-
Ticketus LLP	8	8
Ticketus 2 LLP	8	8
Ticketus Services 34 Limited	9	-
Tonituah Trading 1 Limited	10	10
Tonituah Trading 2 Limited	9	-
Tuwale Power Limited	10	10
Zuvan Power Limited	8	-

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2012

RELATED PARTY TRANSACTIONS (continued)

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

Fern was recharged administrative expenses totalling £11,376,842 (2011: £1,055,252) by Octopus Investments Limited. At 30 June 2012, an amount of £2,890,019 (2011: £562,937) relating to these recharges was included in creditors and accruals (see note 12).

Fern was recharged administrative expenses totalling £361,799 (2011: £182,966) by Bridgeco Limited. At 30 June 2012, an amount of £67,612 (2011: £54,665) relating to these recharges was included in creditors (see note 12).

Fern was recharged administrative expenses totalling £25,483 (2011: £15,364) by Bracken Holdings Limited. At 30 June 2012, an amount of £25,483 (2011: £nil) relating to these recharges was included in creditors (see note 12).

At 30 June 2012, an amount of £3,366,767 (2011: £1,780,360) was owed to Fern by Chuku Power Limited. Interest of £16,767 (2011: £360) was charged on this loan.

15. CONTROLLING PARTY

There is no ultimate controlling party.

