

Parent accounts for Whitmore Wholesale Limited - 06030326

Bracken Holdings Limited
Annual report and financial statements
for the year ended 31 December 2018
Registered number 06447011

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Bracken Holdings Limited

Annual report and financial statements for the year ended 31 December 2018

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Bracken Holdings Limited

Directors and advisers

Directors

PS Latham

KJ Willey

T Arthur

Company secretary

Octopus Company Secretarial Services Limited

Company number

06447011

Registered office

6th Floor

33 Holborn

London

EC1N 2HT

Independent auditors

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Central Square South

Orchard Street

Newcastle upon Tyne

NE1 3AZ

Bankers

HSBC plc

31 Holborn

London

EC1N 2HR

Bracken Holdings Limited

Strategic report for the year ended 31 December 2018

Introduction

The directors present their strategic report for Bracken Holdings Limited ("the company") and its subsidiaries ("the group") for the year ended 31 December 2018.

In the financial year to 31 December 2018, the group has continued to undertake a trade of lending, as well as operating a solar farm. The group continues to lend to counterparties with a proven track record in the residential property finance sector. In the short to medium term the group expects to achieve moderate organic growth in the sectors it is currently operating in.

The principal activities of the company are that of a holding company.

Business review

Following a fall in the average loan book balance on which interest income is generated, turnover for the year ended 31 December 2018 decreased to £7,372,838 (2017: £10,699,138). The group profit before tax, in contrast, increased for the financial year by £115,352 to £1,458,550 (2017: £1,343,198). This increase was mainly as a result of the group incurring higher management service fees in the financial year to 31 December 2017. In addition, income from other fixed asset investments increased by £576,494 in the current year, due to the group having increased its capital contribution to a trading partnership that it is a founder member of.

The number of new share issues was materially lower than the number of shares cancelled by the group, with a total of £15,329,974 of share capital and share premium being cancelled during the year. The directors anticipate that through its underlying trading performance the group will continue to achieve shareholder objectives despite the recent reduction of its share capital. Furthermore, the Directors are regularly reviewing strategic options for the group.

Principal risks and uncertainties

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

Price risk

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

Credit risk

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

Liquidity and Cash Flow risk

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

Energy market and performance risk

There is a risk that energy-generating assets could fail to achieve forecasted levels of income due to changes in energy prices, unpredictable weather conditions and/or operational availability. Long-term backed offtake agreements, such as the Renewable Obligation Certificate scheme, underpin certain revenue streams. Operational strategy and servicing are optimised to maximise the availability of assets.

Bracken Holdings Limited

Strategic report for the year ended 31 December 2018 (continued)

Financial key performance indicators

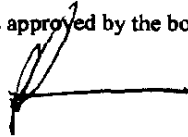
The group focuses on trades where it has a good level of visibility over expected costs and revenues. In its lending activities, it monitors loan to value levels as its key performance indicator. These depend on each loan and in the year ending 31 December 2018 all loan to value ratios were at acceptable levels. In the case of solar farms, performance is closely monitored in terms of irradiance and performance ratio levels.

Objectives and strategies

On 30 April 2019, the group successfully completed the purchase of MTS Spittleborough Solar Limited, an operating solar farm.

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

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



Paul Latham
Director

Date: 21/05/2019

Bracken Holdings Limited

Directors' report for the year ended 31 December 2018

The directors present their report and audited consolidated financial statements for the company and the group for the year ended 31 December 2018.

Results and dividends

The profit for the financial year amounted to £1,038,545 (2017: £1,809,941).

The directors have not recommended a dividend (2017: £nil).

Directors

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

PS Latham
KJ Willey
T Arthur

Matters covered in the Strategic report

As permitted by S414c (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.

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the 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 and company 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.

Bracken Holdings Limited

Directors' report for the year ended 31 December 2018 (continued)

Directors' indemnities

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

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 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 confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

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

Paul Latham
Director



Date: 21/05/2019

Bracken Holdings Limited

Independent auditors' report to the members of Bracken Holdings Limited

Report on the audit of the financial statements

Opinion

In our opinion, Bracken Holdings Limited's group financial statements and company financial statements (the "financial statements"):

give a true and fair view of the state of the group's and of the company's affairs as at 31 December 2018 and of the group's profit and cash flows for the year then ended;

have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and

have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the consolidated and company balance sheets as at 31 December 2018; the consolidated statement of comprehensive income; the consolidated statement of cash flows and the consolidated and company statement of changes in equity for the year then ended; the accounting policies; and the notes to the financial statements.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

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

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's and company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the group's trade, customers, suppliers and the wider economy.

Reporting on other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Bracken Holdings Limited

Independent auditors' report to the members of Bracken Holdings Limited (continued)

Report on the audit of the financial statements (continued)

Reporting on other information (continued)

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

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

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

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Use of this report

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

Bracken Holdings Limited

Independent auditors' report to the members of Bracken Holdings Limited (continued)

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.

Jonathan Greenaway (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors

Newcastle upon Tyne

May 2019

Bracken Holdings Limited

Consolidated statement of comprehensive income for the year ended 31 December 2018

		2018	2017
	Note	£	£
Turnover	1	7,372,838	10,669,138
Cost of sales		(1,470,792)	(845,992)
Gross profit		5,902,046	9,823,146
Administrative expenses		(9,449,718)	(16,865,501)
Operating loss	2	(3,547,672)	(7,042,355)
Income from other fixed asset investments	5	5,004,771	4,428,277
Interest receivable and similar income	6	1,451	700
Profit on disposal of subsidiaries		-	3,956,576
Profit before tax		1,458,550	1,343,198
Tax (charge)/credit on profit	7	(420,005)	466,743
Profit for the financial year and total comprehensive income		1,038,545	1,809,941
Profit attributable to:			
Non-controlling interests	17	264,812	249,423
Owners of the parent		773,733	1,560,518
		1,038,545	1,809,941

All amounts relate to continuing operations.

Bracken Holdings Limited

Consolidated balance sheet as at 31 December 2018

	Note	2018 £	2017 £
Fixed assets			
Intangible assets	8	896,875	1,074,139
Tangible assets	9	3,988,216	4,165,947
Investments	10	54,446,433	32,941,290
		59,331,524	38,181,376
Current assets			
Debtors: amounts falling due after more than one year	12	6,827,945	14,351,167
Debtors: amounts falling due within one year	12	43,723,827	75,131,363
Cash at bank and in hand		1,802,832	1,969,959
		52,354,604	91,452,489
Creditors: amounts falling due within one year	13	(5,356,580)	(8,888,270)
Net current assets		46,998,024	82,564,219
Total assets less current liabilities		106,329,548	120,745,595
Net assets		106,329,548	120,745,595
Capital and reserves			
Called up share capital	16	8,434,575	9,555,354
Share premium account		55,294,916	78,981,305
Profit and loss account		40,442,395	30,191,468
Total shareholders' funds		104,171,886	118,728,127
Non-controlling interests	17	2,157,662	2,017,468
Capital employed		106,329,548	120,745,595

The financial statements on pages 9 to 31 were approved and authorised for issue by the board and were signed on its behalf by:

Paul Latham
Director



Date: 21/05/2019

Company number: 06447011

Bracken Holdings Limited

Company balance sheet as at 31 December 2018

	Note	2018 £	2017 £
Fixed assets			
Intangible assets	8	-	-
Investments	10	44,130,390	29,372,788
		44,130,390	29,372,788
Current assets			
Debtors: amounts falling due within one year	12	20,521,613	58,400,597
Cash at bank and in hand		308,105	1,690,825
		20,829,718	60,091,422
Creditors: amounts falling due within one year	13	(4,403,626)	(7,883,945)
Net current assets		16,426,092	52,207,477
Total assets less current liabilities		60,556,482	81,580,265
Net assets		60,556,482	81,580,265
Capital and reserves			
Called up share capital	16	8,434,575	9,555,354
Share premium account		55,294,916	78,981,305
Profit and loss account		(3,173,009)	(6,956,394)
Total shareholders' funds		60,556,482	81,580,265

The company has elected to take the exemption under section 408 of the Companies Act 2006 not to present the company profit and loss account. The loss for the year dealt with in the financial statements of the company was £5,693,809 (2017: Loss of £12,468,756).

The financial statements on pages 9 to 31 were approved and authorised for issue by the board and were signed on its behalf by:



Paul Latham
Director

Date: 21/05/2019

Company number: 06447011

Bracken Holdings Limited

Consolidated statement of changes in equity for the year ended 31 December 2018

	Called up share capital £	Share premium account £	Profit and loss account £	Total shareholders' funds £	Non- controlling interest £	Capital employed £
Balance as at 1 January 2017	10,455,342	98,798,974	19,886,397	129,140,713	2,345,039	131,485,752
Profit for the financial year and total comprehensive income	-	-	1,560,518	1,560,518	249,423	1,809,941
Increase in investment by group	-	-	-	-	(576,994)	(576,994)
Shares cancelled during the year	(899,988)	-	-	(899,988)	-	(899,988)
Utilised on redemption of shares	-	(19,817,669)	8,744,553	(11,073,116)	-	(11,073,116)
Balance as at 31 December and 1 January 2018	9,555,354	78,981,305	30,191,468	118,728,127	2,017,468	120,745,595
Profit for the financial year and total comprehensive income	-	-	773,733	773,733	264,812	1,038,545
Increase in investment by group	-	-	-	-	(124,618)	(124,618)
Shares cancelled during the year	(1,120,779)	-	-	(1,120,779)	-	(1,120,779)
Utilised on redemption of shares	-	(23,686,389)	9,477,194	(14,209,195)	-	(14,209,195)
Balance as at 31 December 2018	8,434,575	55,294,916	40,442,395	104,171,886	2,157,662	106,329,548

Bracken Holdings Limited

Company statement of changes in equity for the year ended 31 December 2018

	Called up share capital	Share premium account	Profit and loss account	Total shareholders' funds
	£	£	£	£
Balance as at 1 January 2017	10,455,342	98,798,974	(3,232,191)	106,022,125
Loss for the financial year and total comprehensive expense	-	-	(12,468,756)	(12,468,756)
Shares cancelled during the year	(899,988)	-	-	(899,988)
Utilised on redemption of shares	-	(19,817,669)	8,744,553	(11,073,116)
Balance as at 31 December and 1 January 2018	9,555,354	78,981,305	(6,956,394)	81,580,265
Loss for the financial year and total comprehensive expense	-	-	(5,693,809)	(5,693,809)
Shares cancelled during the year	(1,120,779)	-	-	(1,120,779)
Utilised on redemption of shares	-	(23,686,389)	9,477,194	(14,209,195)
Balance as at 31 December 2018	8,434,575	55,294,916	(3,173,009)	60,556,482

Bracken Holdings Limited

Consolidated statement of cash flows for the year ended 31 December 2018

	2018	2017
	£	£
Cash flows from operating activities		
Profit for the financial year attributable to owners of the parent	773,733	1,560,518
Adjustments for:		
Tax on profit on ordinary activities	420,005	(466,743)
Interest receivable and similar income	(1,451)	(700)
Amortisation of intangible fixed assets	177,264	287,179
Depreciation of tangible fixed assets	184,510	480,882
Decrease/(increase) in debtors	35,494,958	(10,670,737)
Decrease in creditors	(3,531,690)	(5,287,387)
Non-controlling interests	264,812	249,423
Profit on disposal of subsidiaries	-	(3,956,576)
Income from other fixed asset investments	(5,004,771)	(4,428,277)
Tax received/(paid)	3,015,795	(2,437,094)
Net cash generated from/(used in) operating activities	31,793,165	(24,669,512)
Cash flow from investing activities		
Sale of subsidiary undertakings	-	25,794,476
Purchase of intangible assets	-	(570,697)
Purchase of tangible fixed assets	(6,779)	-
Purchase of unlisted and other investments	(22,505,143)	(23,417,336)
Sale of unlisted and other investments	1,000,000	22,190,000
Interest received	1,451	700
Income from investments	5,004,771	4,428,277
Net cash (used in)/generated from investing activities	(16,505,700)	28,425,420
Cash flow from financing activities		
Purchase of ordinary shares	(124,618)	(483,905)
Redemption of ordinary shares	(1,120,779)	(899,988)
Premium on redemption of shares	(14,209,195)	(11,073,116)
Net cash used in financing activities	(15,454,592)	(12,457,009)
Net decrease in cash and cash equivalents	(167,127)	(8,701,101)
Cash and cash equivalents at the beginning of the year	1,969,959	10,671,060
Cash and cash equivalents at the end of the year	1,802,832	1,969,959

Bracken Holdings Limited

Statement of accounting policies

Company information

The company is a private company limited by shares and is incorporated and domiciled in England, United Kingdom. The address of the registered office is 6th Floor, 33 Holborn, London, EC1N 2HT.

Statement of compliance

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

Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention on the going concern basis and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below. The company's functional and presentation currency of these financial statements is sterling.

The consolidated financial statements include the results of all subsidiaries owned by Bracken Holdings Limited as listed in note 11 of the annual financial statements. Certain of these subsidiaries, which are listed in note 11, have taken the exemption from an audit for the year ended 31 December 2018 by virtue of s479a of Companies Act 2006. In order to allow these subsidiaries to take the audit exemption, the parent company Bracken Holdings Limited has given a statutory guarantee of all the outstanding liabilities as at 31 December 2018 of the subsidiaries listed below, further details of which are provided in note 18.

Basis of consolidation

The financial statements consolidate the financial statements of the company and all of its subsidiary undertakings ('subsidiaries'). The company has taken advantage of the exemption in section 408 of the Companies Act from disclosing its individual profit and loss account.

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.

Going concern

The directors have at the time of approving the financial statements, a reasonable expectation that the 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 financial statements.

Bracken Holdings Limited

Statement of accounting policies (continued)

Turnover

Turnover comprises revenue recognised by the group in respect of goods and services supplied during the year, exclusive of value added tax and trade discounts.

Turnover comprises two main classes of business. The group is primarily a money lending business in the United Kingdom. Turnover represents arrangement fees and loan interest, net of value added tax and is recognised upon delivery of the relevant services. Interest income is recognised over the term of the loan on an accruals basis. Upfront fees charged to customers are non-refundable and, as there are no significant future executory costs, are recognised in turnover over the term of the loan. Agency fees are recognised straight line over the length of the contract.

The secondary source of revenue is derived from Belenus Energy Limited's subsidiary (of which Bracken Holdings is the sole shareholder). The subsidiary operates a solar farm that earns turnover from the sale of electricity that is generated. Any un-invoiced income is accrued in the period in which it is generated.

Intangible fixed assets and amortisation

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. Goodwill is amortised over its expected useful life. Where the group is unable to make a reliable estimate of useful life, goodwill is amortised over a period not exceeding 10 years. Goodwill is assessed for impairment when there are indicators of impairment and any impairment is charged to the income statement. Reversals of impairment are recognised when the reasons for the impairment no longer apply.

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:

Distribution rights	Over 1 year
---------------------	-------------

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

Computer equipment	Over 3 years
Plant and Machinery	4% and 10% straight line

Investments - company

Investment in a subsidiary company is held at cost less accumulated impairment losses.

Cash

Cash includes cash in hand and deposits repayable on demand.

Accrued income

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

Deferred income

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

Bracken Holdings Limited

Statement of accounting policies (continued)

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.

Financial instruments

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

(i) Financial assets

Basic financial assets, including other receivables and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction which 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.

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 assets' original effective interest rate. The impairment loss is recognised in the statement of comprehensive income.

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.

(ii) Financial Liabilities

Basic financial liabilities, including trade and other payables and loans from fellow group undertakings, 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.

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

(iii) Offsetting

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

Foreign currencies

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

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

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

Bracken Holdings Limited

Statement of accounting policies (continued)

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 on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

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

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

Deferred tax assets and liabilities are discounted.

Judgements in applying accounting policies and key sources of estimation uncertainty

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

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

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

(b) Critical accounting estimates and assumptions

(i) Debtor impairment

Management review debtor balances on a quarterly basis. In determining whether there is a need for a provision, management is required to determine their best estimate of the future expected cash flows. In arriving at this estimate, management consider historical experience and current trends. However this estimate relies on a certain number of assumptions about future events which may differ from actual outcomes, including the borrower's ability to repay interest and capital due in future periods, and therefore gives rise to judgement as to whether there is a shortfall between the carrying value and the fair value of the debtor balance. See note 12 for the carrying amount of the debtors.

Bracken Holdings Limited

Notes to the financial statements for the year ended 31 December 2018

1 Turnover

An analysis of turnover by class of business is as follows:

	2018	2017
	£	£
Loan interest and arrangement fees	6,796,275	9,570,489
Energy income	576,563	1,098,649
	7,372,838	10,669,138

All turnover arose within the United Kingdom.

2 Operating loss

Operating loss is stated after charging/(crediting):

	2018	2017
	£	£
Amortisation of intangible fixed assets	177,264	287,179
Depreciation of tangible fixed assets – owned by the group	184,510	480,882
Auditors' remuneration – company and the group's consolidated financial statements	41,625	40,415
Auditors' remuneration – audit of the company's subsidiaries	3,125	3,035
Auditors' remuneration – non audit services	8,490	8,990
Auditors' remuneration – tax compliance services	21,913	21,275
Auditors' remuneration – tax advisory services	11,289	10,960
Management and arrangement fees	7,000,000	14,356,887
Difference on foreign exchange	82,367	(622,371)

Bracken Holdings Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

3 Staff costs

Staff costs during the year were as follows:

	2018	2017
	£	£
Group and company		
Wages and salaries	95,000	95,000
Social security costs	7,335	7,407
	102,335	102,407

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

	2018	2017
	Number	Number
Group and company		
Directors	3	3

4 Directors' remuneration

	2018	2017
	£	£
Aggregate remuneration in respect of services as directors	95,000	95,000

There are no key management personnel other than the directors.

5 Income from other fixed asset investments

	2018	2017
	£	£
Income from partnership interests	5,004,771	4,428,277

6 Interest receivable and similar income

	2018	2017
	£	£
Bank interest received	1,451	700

Bracken Holdings Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

7 Tax on profit

(a) Tax charge/(credit) included in statement of comprehensive income

	2018	2017
	£	£
Current tax:		
UK Corporation tax on profit for the year	-	-
Adjustments in respect of prior periods	-	116,605
Total current tax	-	116,605
Deferred tax:		
Origination and reversal of timing differences	456,532	(655,586)
Adjustments in respect of prior periods	11,529	2,622
Impact of change of tax rate	(48,056)	69,616
Total deferred tax (see note 14)	420,005	(583,348)
Tax on profit	420,005	(466,743)

(b) Reconciliation of tax charge/(credit)

The tax assessed for the year is higher (2017: lower) than the standard rate of corporation tax in the UK of 19% (2017: 19.25%). The differences are explained below:

	2018	2017
	£	£
Profit before tax	1,458,550	1,343,198
Profit multiplied by standard rate of corporation tax in the UK of 19% (2017: 19.25%)	277,124	258,565
Effects of:		
Expenses not deductible for tax purposes	54,520	61,040
Income not taxable	-	(817,680)
Utilisation of unrecognised deferred tax assets	(11,144)	(157,511)
Adjustments in respect of prior periods	11,529	119,227
Tax rate changes	(48,056)	69,616
Unrecognised deferred tax	136,032	-
Tax charge/(credit) for the year (note 7(a))	420,005	(466,743)

(c) Factors affecting tax charge for the year

Details of the group's deferred tax assets and liabilities are given in note 14 to the financial statements.

Bracken Holdings Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

8 Intangible assets

Group	Distribution rights £	Goodwill £	Total £
Cost			
At 1 January 2018 and at 31 December 2018	12,149,982	2,893,882	15,043,864
Accumulated amortisation			
At 1 January 2018	12,149,982	1,819,743	13,969,725
Charge for the year	-	177,264	177,264
At 31 December 2018	12,149,982	1,997,007	14,146,989
Net book value			
At 31 December 2018	-	896,875	896,875
At 31 December 2017	-	1,074,139	1,074,139

Company	Distribution rights £
Cost	
At 1 January 2018 and 31 December 2018	12,149,982
Accumulated amortisation	
At 1 January 2018 and 31 December 2018	12,149,982
Net book value	
At 31 December 2018	-
At 31 December 2017	-

Bracken Holdings Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

9 Tangible assets

Group	Computer equipment £	Plant and Machinery £	Total £
Cost			
At 1 January 2018	10,082	4,549,212	4,559,294
Additions	-	6,779	6,779
Disposals	(10,082)	-	(10,082)
At 31 December 2018	-	4,555,991	4,555,991
Accumulated Depreciation			
At 1 January 2018	10,082	383,265	393,347
Charge for the year	-	184,510	184,510
Disposals	(10,082)	-	(10,082)
At 31 December 2018	-	567,775	567,775
Net book value			
At 31 December 2018	-	3,988,216	3,988,216
At 31 December 2017	-	4,165,947	4,165,947

Bracken Holdings Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

10 Investments

Group	Unlisted Investments £
Cost or valuation	
At 1 January 2018	32,941,290
Additions	22,505,143
Disposals	(1,000,000)
At 31 December 2018	54,446,433
Net book value	
At 31 December 2018	54,446,433
At 31 December 2017	32,941,290

Unlisted investments comprise the group's capital contribution to Terido LLP, a provider of asset-backed finance. This has not been treated as an associated undertaking and its results have not been consolidated as, in the opinion of the directors, Bracken Holdings Limited is unable to exert significant influence over its activities.

Company	Investments in subsidiary undertakings £	Unlisted investments £	Total £
Cost or valuation			
At 1 January 2018	64,675,607	337,254	65,012,861
Additions	124,618	15,632,984	15,757,602
Disposals	-	(1,000,000)	(1,000,000)
At 31 December 2018	64,800,225	14,970,238	79,770,463
Accumulated impairment			
At 1 January 2018 and 31 December 2018	35,640,073	-	35,640,073
Net book value			
At 31 December 2018	29,160,152	14,970,238	44,130,390
At 31 December 2017	29,035,534	337,254	29,372,788

Bracken Holdings Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

11 Subsidiary undertakings

The following were subsidiary undertakings of the company at the year-end:

Name	Country of incorporation	Class of shares held	Percentage Shareholding	Nature of business
Garrison Services Limited*	UK	Ordinary	100%	Holding company
Garrison Wholesale Limited *^	UK	Ordinary	100%	Wholesale trading
Whitmore Services Limited*	UK	Ordinary	100%	Holding company
Whitmore Wholesale Limited *^	UK	Ordinary	100%	Wholesale trading
Foreman Trading Limited*	UK	Ordinary	93%	Wholesale trading
Kennett Wholesale Limited *^	UK	Ordinary	93%	Wholesale trading
Ruddock Wholesale Limited *^	UK	Ordinary	93%	Wholesale trading
BridgeCo Limited*	UK	Ordinary	100%	Finance provider
Bracken (Aircraft) Limited*	UK	Ordinary	100%	Dormant company
Spinney Services Limited*	UK	Ordinary	95%	Holding company
Javelin Wholesale Limited *^	UK	Ordinary	95%	Wholesale trading
Belenus Energy Limited	UK	Ordinary	100%	Holding company
Averill Farm Limited ^	UK	Ordinary	100%	Solar power generation

^ Indirectly owned

* Subsidiaries exempt from audit by virtue of s479a of the Companies Act 2006.

The registered address for all subsidiary undertakings is 6th Floor 33 Holborn, London, England, EC1N 2HT.

Bracken Holdings Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

12 Debtors

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Amounts falling due after more than one year				
Trade debtors	6,705,470	13,783,206	-	-
Prepayments and accrued income	122,475	567,961	-	-
	6,827,945	14,351,167	-	-
Amounts falling due within one year				
Trade debtors	33,988,097	62,664,332	37,938	57,084
Amounts owed by group undertakings	-	-	19,123,484	55,206,633
Other debtors	263,448	549,340	302,559	289,953
Corporation tax	397,376	3,395,555	-	1,557,907
Deferred tax asset (note 14)	26,900	446,905	145,397	591,626
Prepayments and accrued income	9,048,006	8,075,231	912,235	697,394
	43,723,827	75,131,363	20,521,613	58,400,597

Trade debtors are stated after provisions for impairment of £1,103,700 (2017: £5,831,806). Accrued income is stated after provisions for impairment of £306,001 (2017: £nil).

Included in group trade debtors are amounts owed by companies that have entered administration. The group has credit insurance policies in place that cover its exposure to these debtors. Debtors of £0.2m (2017: £0.6m) remain in negotiation at the date of these financial statements and the directors consider this debtor to be recoverable.

Amounts owed by group undertakings include an unsecured shareholder loan to Belenus Energy Limited with an interest rate of 6.70%, no fixed date of repayment and is repayable on demand. At 31 December 2018 the amount repayable to the company was £3,203,337 (2017: £3,516,854).

Other amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

Bracken Holdings Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

13 Creditors: amounts falling due within one year

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Trade creditors	1,962,788	1,811,611	1,515,459	1,803,036
Other creditors	343,925	384,845	24,420	5,154
Accruals and deferred income	3,049,867	6,691,814	2,863,747	6,075,755
	5,356,580	8,888,270	4,403,626	7,883,945

14 Deferred tax

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Deferred tax (asset)/liability				
At 1 January	(446,905)	264,644	(591,626)	(3,242)
Adjustments in respect of prior years	11,529	2,622	98,013	-
Deferred tax charge/(credit) for the period	408,476	(585,970)	348,216	(588,384)
Movement arising from transfer of trade	-	(128,201)	-	-
At 31 December	(26,900)	(446,905)	(145,397)	(591,626)

The deferred tax (asset)/liability is made up as follows:

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Timing differences on fixed assets	118,497	144,721	-	-
Short term timing differences	(145,397)	(591,626)	(145,397)	(591,626)
	(26,900)	(446,905)	(145,397)	(591,626)

Bracken Holdings Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

14 Deferred tax (continued)

In accordance with the requirements of FRS 102, due to uncertainties over the timing and nature of profits against which it will reverse, no deferred tax asset has been recognised at 31 December 2018 in relation to the losses carried forward in certain group companies. Details of the unprovided deferred tax assets are stated below, calculated at the rate of Corporation Tax in the UK substantively enacted at the balance sheet date, of 17% (2017: 17%):

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Tax losses carried forward	419,107	442,220	-	-

15 Financial instruments

The group has the following financial instruments:

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Carrying amount of financial assets				
Debt instruments measured at amortised cost	40,957,015	76,996,878	19,463,981	55,553,670
Equity instruments measured at cost less impairment	54,446,433	32,941,290	14,970,238	337,254
Carrying amount of financial liabilities				
Measured at amortised cost	2,306,713	2,196,456	1,539,879	1,808,190

Bracken Holdings Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

16 Called up share capital

Group and Company	2018	2017
Allotted, called-up and fully paid	£	£
60,181,394 (2017: 68,533,733) Ordinary shares of £0.10 each	6,018,139	6,853,373
24,164,359 (2017: 27,019,806) A Ordinary shares of £0.10 each	2,416,436	2,701,981
	8,434,575	9,555,354

The company issued no Ordinary shares during the current or prior year.

The company reduced its share capital as permitted under section 642 of the Companies Act 2006 by cancelling and extinguishing 8,352,339 (2017: 6,306,511) Ordinary shares of £0.10 each and 2,855,447 (2017: 2,693,372) A Ordinary shares of £0.10 each. The company also cancelled the corresponding component of its share premium reserve. The movements on share capital during the year were as follows:

	Ordinary shares	A Ordinary shares	Total
	£	£	£
At 1 January 2017	7,484,024	2,971,318	10,455,342
Cancelled during year	(630,651)	(269,337)	(899,988)
At 31 December 2017 and 1 January 2018	6,853,373	2,701,981	9,555,354
Cancelled during year	(835,234)	(285,545)	(1,120,779)
At 31 December 2018	6,018,139	2,416,436	8,434,575

As part of the process of cancelling and extinguishing the Ordinary shares, an amount of £15,329,974 (2017: £11,973,104) was returned to the holders of those shares. The payment was constituted as follows:

	2018	2017
	£	£
Ordinary share capital cancelled	1,120,779	899,988
Premium on cancelled shares	14,209,195	11,073,116
	15,329,974	11,973,104

Bracken Holdings Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

17 Non-controlling interests

	Foreman Trading Limited	Spinney Services Limited	Total
	£	£	£
At 1 January 2018	1,791,150	226,318	2,017,468
Share of profit after tax	186,814	77,998	264,812
Increase in investment by group	(124,618)	-	(124,618)
At 31 December 2018	1,853,346	304,316	2,157,662

18 Contingencies

Contingent liabilities

Under section 479C of the Companies Act 2006, the parent company Bracken Holdings Limited has guaranteed all outstanding liabilities to which the subsidiaries taking the audit exemption listed in note 11 were subject at the end of 31 December 2018 until they are satisfied in full. These liabilities total £48,620,207 (2017: £62,532,323), including intercompany loans of £48,275,307 (2017: £61,891,968). The net balance of these guarantees are enforceable against Bracken Holdings Limited by any person to whom any such liability is due.

19 Operating lease commitments

At 31 December the group had total future minimum lease payments under non-cancellable operating leases as follows:

	2018	2017
	£	£
Not later than one year	26,694	25,538
Later than one year and not later than five years	106,776	102,152
Later than five years	467,151	472,460
	600,621	600,150

20 Post balance sheet events

On 30 April 2019 Belenus Energy Limited, a subsidiary of Bracken Holdings Limited, acquired 100% of the share capital of MTS Spittleborough Solar Limited.

Bracken Holdings Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

21 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 below, the company's other related party transactions were with its wholly owned subsidiary members of the group.

Transactions with other related parties are as follows:

Relationship	Transaction	Amount		Amount due (to)/from related parties	
		2018 £	2017 £	2018 £	2017 £
Key management in common	Management fees	(7,000,000)	(14,434,021)	(1,503,868)	(1,779,227)
	Partnership income	5,004,771	4,428,277	4,311,786	3,551,894
	Recharges	(202,181)	235,853	(419,918)	35,516
Participating interest	Recharges	11,579	3,400	29,707	1,652,147

22 Ultimate parent company and controlling party

In the opinion of the directors, there is no ultimate controlling party. Bracken Holdings Limited is the only company to consolidate the company's results and those of its subsidiaries.