

Parent for:  
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Bracken Trading Limited  
Annual report and financial statements  
for the year ended 31 December 2021  
**Registered number 12124765**



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## **Bracken Trading Limited**

### **Annual report and financial statements for the year ended 31 December 2021**

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# **Bracken Trading Limited**

## **Directors and advisers**

### **Directors**

PS Latham

KJ Willey

T Arthur

P Barlow (Appointed on 1 July 2022)

### **Company secretary**

Octopus Company Secretarial Services Limited

### **Company number**

12124765

### **Registered office**

6th Floor

33 Holborn

London, England

EC1N 2HT

### **Independent auditors**

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Level 5 and 6

Central Square South

Orchard Street

Newcastle upon Tyne

NE1 3AZ

United Kingdom

### **Bankers**

HSBC plc

31 Holborn

London

EC1N 2HR

# **Bracken Trading Limited**

## **Strategic report for the year ended 31 December 2021**

### **Introduction**

The directors present their strategic report for Bracken Trading Limited ("the company") and its subsidiaries ("the group") for the year ended 31 December 2021.

In the financial year to 31 December 2021, the group has continued to undertake a trade of lending, as well as owning and operating two solar farms. In the lending business, the group has not written new loans in the period however loans written in previous years have continued to perform strongly. The group has continued to participate in active lending through its membership in Terido LLP, a partnership making property loans and loans to healthcare developers. In the short to medium term the group expects to achieve moderate organic growth in the other sectors it is currently operating in, as well as through its membership in Terido LLP.

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

Bracken's board has considered the interests of other stakeholders within the Directors report, which will have an impact on the long-term success of the company when performing their duty to promote the success of the company under S172. The Directors view the key stakeholders of the group to be shareholders, suppliers, and borrowers. When making decisions, each Director ensures that he acts in the way he considers, in good faith and would most likely promote the company's success for the benefit of its members as a whole. The Directors make the following considerations when considering promoting the success of the group:

- When making decisions, the Directors give careful consideration to the impact of those decisions on both the group and broader stakeholders. This is achieved by considering any new deals or suppliers on a case by case basis and assessing the impact on the long term objectives of the group, as well as the impact on and reputation of the other party. Through its lending activities, the group ensures it acts fairly and in a transparent manner to resolve any disputes or defaults. In doing so, the Directors also consider the impact on other stakeholders, in particular the shareholders.
- The group has no employees other than Directors of the Company. The group ensures that outsourced activities are properly done with reputable suppliers who meet all the relevant industry and regulatory commitments as well as treating employees fairly. This is stated in agreements with outsourcers and adherence to this is monitored by the group management team.
- The group treats all suppliers and customers fairly, endeavouring to pay invoices within the terms of the contract. Any disputes are resolved promptly with key relationship personnel.
- Through the activities in which the group operates, a positive contribution is made to the environment and economy through generation of renewable energy, helping the UK meet its renewable energy targets, as well as providing finance for the development of property, addressing the needs of the UK housing market.

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

### **Business review**

Group turnover for the year ended 31 December 2021 was £2,864,712 (2020: £2,987,136), comprising of loan interest and arrangement fees of £1,065,072 (2020: £1,579,832) and energy income of £1,799,640 (2020: £1,407,304). Loan interest and arrangement fees decreased in line with a fall in the average loan book balance on which interest income is generated. Energy income rebounded strongly owing to a substantial increase in wholesale energy prices during the year, caused by the increased global energy demand as a result of economies reopening during 2021 and broader commodity inflation. The group investments increased slightly to £73,000,473 (2020: £72,644,557) due to the group placing its excess cash into Terido LLP. The group profit before tax, decreased for the financial year to £2,721,414 (2020 restated: £4,313,474). This decrease was mainly as a result of the group earning lower profit share from its membership in Terido LLP during the year £4,608,926 (2020: £7,178,149) which was driven by provisions recognised in Terido LLP during March 2021 and compounded by the reduction in ownership of Terido LLP attributable to the Bracken group during the year.

# **Bracken Trading Limited**

## **Strategic report for the year ended 31 December 2021 (continued)**

### **Business review (continued)**

There was one new share issued during the year (2020:118,482), which was lower than the number of shares cancelled by the group, with a total of £444,531 (2020: £691,528) of share capital 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.

The company reported a loss for the year of £2,844,443 (2020 restated: loss £2,649,140).

### **Principal and financial 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.

The group may enter into hedging transactions in relation to interest rates and power prices for the purposes of efficient portfolio management. 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 group will not enter into derivative transactions for speculative purposes.

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

#### 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 government 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 Trading Limited**

### **Strategic report for the year ended 31 December 2021 (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 ended 31 December 2021 all loan to value ratios were at acceptable levels. The LTV for the book as a whole has remained at 65% from December 2020 to December 2021, still representing a healthy margin to safeguard against potential asset devaluation. In the case of solar farms, performance is closely monitored in terms of irradiance and performance ratio levels.

#### **Environment, social and governance considerations**

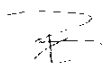
ESG matters are considered to ensure they are integrated with deployment decisions and during ongoing portfolio monitoring. The Directors are comfortable that the group companies are being well managed and present no material ESG risks of concern.

Potential risks span from environmental (e.g. sustainable use of natural resources as well as consideration of possible damage, such as biodiversity) social (e.g. impact of operations on local communities, health & safety for employees and contractors) and governance (e.g. comply with applicable laws, strong risk management frameworks, ethics).

#### **Objectives and strategies**

The Directors do not expect any change in the group's operating activities during the next financial year. Through its solar farms, the group is positively contributing to the global push towards net-zero emissions. The group's property lending business and the exposure to property through the membership in Terido LLP continues to support developers and other borrowers in their activities across the property market throughout the U.K. The directors continues to remain open to opportunities that it believes will enhance returns.

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



**Timothy Arthur**

Director

Date: 23 September 2022

# **Bracken Trading Limited**

## **Directors' report for the year ended 31 December 2021**

The directors present their report and audited consolidated financial statements for the company and the group for the year ended 31 December 2021.

### **Results and dividends**

The group profit for the financial year was £2,422,054 (2020 restated: £4,234,872).

Foreman Trading Limited, a subsidiary of Bracken Trading Limited, paid a dividend to investors of £38,301 (2020: £9,967). There are no proposed dividends by the group as at 31 December 2021.

### **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  
P Barlow (Appointed on 1 July 2022)

### **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 (Financial statements and Reports) Regulations 2008', in the Strategic report.

### **Post balance sheet events**

Refer to note 20 in the Notes to the financial statements.

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

The group's renewable energy activities, as an owner and operator of solar farms, has enabled us to make a positive contribution to the climate change agenda.

### **Employee information**

The group does not have any employees, other than the directors of the company.

### **Business ethics and governance**

The Board 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 represented on the Board, 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 31 December 2021 no areas of concern have been flagged in this regard.

### **Statement of directors' responsibilities**

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

## **Bracken Trading Limited**

### **Directors' report for the year ended 31 December 2021 (continued)**

#### **Statement of directors' responsibilities (continued)**

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.

#### **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**

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the group and company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the group and 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:



**Timothy Arthur**

Director

Date: 23 September 2022



## **Bracken Trading Limited**

# Independent auditors' report to the members of Bracken Trading Limited

## Report on the audit of the financial statements

### **Opinion**

In our opinion, Bracken Trading 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 2021 and of the group's profit and the group's 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 2021; the Consolidated statement of comprehensive income, the Consolidated and Company statements of changes in equity and the Consolidated statement of cash flows for the year then ended; the Statement of 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**

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's and the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the *relevant sections of this report*.

## **Bracken Trading Limited**

# **Independent auditors' report to the members of Bracken Trading Limited (continued)**

### **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.

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 our work undertaken in the course of the audit, the Companies Act 2006 requires 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 2021 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, 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.

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

## 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006 and relevant tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or profit, or through management bias in manipulation of accounting estimates. Audit procedures performed by the engagement team included:

- Discussions with management and those charged with governance, including consideration of known or suspected instances of fraud, litigation, claims or non-compliance with laws and regulations;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing legal expenditure in the year to identify potential non-compliance with laws and regulations;
- Obtaining supporting audit evidence for the significant assumptions made by management in determining significant estimates and judgements; and
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, 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.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

## **Bracken Trading Limited**

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

### **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.

## 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 obtained 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.



Nicholas Cook (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Newcastle upon Tyne  
23 September 2022

## Bracken Trading Limited

### Consolidated statement of comprehensive income for the year ended 31 December 2021

		2021	Restated 2020
	Note	£	£
Turnover	1	2,864,712	2,987,136
Cost of sales		(582,656)	(274,051)
<b>Gross profit</b>		<b>2,282,056</b>	2,713,085
Administrative expenses		(3,887,443)	(5,299,306)
<b>Operating loss</b>	2	<b>(1,605,387)</b>	(2,586,221)
Income from other fixed asset investments	4	4,608,926	7,178,149
Other interest payable and similar expenses	5	(282,125)	(278,454)
<b>Profit before tax</b>		<b>2,721,414</b>	4,313,474
Tax on profit	6	(299,360)	(78,602)
<b>Profit for the financial year</b>		<b>2,422,054</b>	4,234,872
<b>Other comprehensive income/(expenses)</b>			
Movements in cash flow hedge reserve		(107,279)	110,463
Deferred tax		(12,708)	33,737
<b>Total comprehensive income for the year</b>		<b>2,302,067</b>	4,379,072
<b>Profit attributable to:</b>			
Minority interests	17	63,184	150,559
Owners of the parent		2,238,883	4,228,513
		<b>2,302,067</b>	4,379,072

All amounts relate to continuing operations. Detail regarding the restatement of 2020 numbers can be found in note 23.

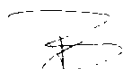
# Bracken Trading Limited

## Consolidated balance sheet as at 31 December 2021

	Note	2021 £	Restated 2020 £
<b>Fixed assets</b>			
Intangible assets	7	1,970,569	2,100,571
Tangible assets	8	10,795,260	11,267,970
Investments	9	73,000,473	72,644,557
		<b>85,766,302</b>	<b>86,013,098</b>
<b>Current assets</b>			
Debtors: amounts falling due within one year	11	13,814,934	21,316,603
Cash at bank and in hand		4,434,302	7,982,128
		<b>18,249,236</b>	<b>29,298,731</b>
<b>Creditors: amounts falling due within one year</b>	12	<b>(2,303,144)</b>	<b>(4,337,024)</b>
<b>Net current assets</b>		<b>15,946,092</b>	<b>24,961,707</b>
<b>Total assets less current liabilities</b>		<b>101,712,394</b>	<b>110,974,805</b>
<b>Creditors: amounts falling due after more than one year</b>	12	<b>(9,725,362)</b>	<b>(10,379,000)</b>
<b>Provisions</b>	15	<b>(327,593)</b>	<b>(249,506)</b>
<b>Net assets</b>		<b>91,659,439</b>	<b>100,346,299</b>
<b>Capital and reserves</b>			
Called up share capital	16	6,659,934	7,104,465
Profit and loss account		83,394,180	91,205,902
Cash flow hedge reserve		76,723	196,710
<b>Total shareholders' funds</b>		<b>90,130,837</b>	<b>98,507,077</b>
Minority interests	17	1,528,602	1,839,222
<b>Capital employed</b>		<b>91,659,439</b>	<b>100,346,299</b>

Detail regarding the restatement of 2020 numbers can be found in note 23.

The financial statements on pages 11 to 43 were approved and authorised for issue by the board and were signed on its behalf by:



**Timothy Arthur**  
Director  
Date: 23 September 2022  
Company number: 12124765

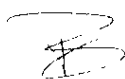
## Bracken Trading Limited

### Company balance sheet as at 31 December 2021

	Note	2021 £	Restated 2020 £
<b>Fixed assets</b>			
Investments	10	35,511,299	35,511,299
		<b>35,511,299</b>	<b>35,511,299</b>
<b>Current assets</b>			
Debtors: amounts falling due within one year	11	51,383,255	67,326,410
Cash at bank and in hand		184,519	6,544
		<b>51,567,774</b>	<b>67,332,954</b>
<b>Creditors: amounts falling due within one year</b>	12	<b>(118,369)</b>	<b>(2,462,281)</b>
<b>Net current assets</b>		<b>51,449,405</b>	<b>64,870,673</b>
<b>Total assets less current liabilities</b>		<b>86,960,704</b>	<b>100,381,972</b>
<b>Net assets</b>		<b>86,960,704</b>	<b>100,381,972</b>
<b>Capital and reserves</b>			
Called up share capital	16	6,659,934	7,104,465
Profit and loss account		52,576,752	65,553,489
Merger reserve		27,724,018	27,724,018
<b>Total shareholders' funds</b>		<b>86,960,704</b>	<b>100,381,972</b>

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 £2,844,443 (2020: Restated loss £2,649,140). Detail regarding the restatement of 2020 numbers can be found in note 23.

The financial statements on pages 11 to 43 were approved and authorised for issue by the board and were signed on its behalf by:



**Timothy Arthur**

Director

Date: 23 September 2022

Company number: 12124765

## Bracken Trading Limited

### Consolidated statement of changes in equity for the year ended 31 December 2021

	Called up share capital	Share premium account	Profit and loss account	Cash flow hedge reserve	Total shareholders' funds	Minority interest	Capital employed
	£	£	£		£	£	£
Balance as at 1 January 2020 (as stated)	7,787,281	-	92,759,689	52,510	100,599,480	2,059,247	102,658,727
Prior period adjustments (Note 23)	-	-	(436,700)	-	(436,700)	-	(436,700)
Balance as at 1 January 2020 (restated)	7,787,281	-	92,322,989	52,510	100,162,780	2,059,247	102,222,027
Total comprehensive income for the financial year (restated)	-	-	4,084,313	144,200	4,228,513	150,559	4,379,072
Increase in investment by group	-	-	-	-	-	(370,584)	(370,584)
Shares issued during the period	8,712	118,482	-	-	127,194	-	127,194
Utilised on redemption of shares	(691,528)	(118,482)	(5,191,433)	-	(6,001,443)	-	(6,001,443)
Distribution contrary to the Co Act	-	-	(3,943,049)	-	(3,943,049)	-	(3,943,049)
Debtor recognised from related party	-	-	3,943,049	-	3,943,049	-	3,943,049
Dividend paid to Foreman Trading Limited investors	-	-	(9,967)	-	(9,967)	-	(9,967)
<b>Balance as at 31 December 2020 (restated)</b>	<b>7,104,465</b>	<b>-</b>	<b>91,205,902</b>	<b>196,710</b>	<b>98,507,077</b>	<b>1,839,222</b>	<b>100,346,299</b>
Total comprehensive income for the financial year	-	-	2,358,870	(119,987)	2,238,883	63,184	2,302,067
Increase in investment by group	-	-	-	-	-	(373,804)	(373,804)
Shares issued during the year	0	1	-	-	1	-	1
Utilised on redemption of shares	(444,531)	(1)	(6,189,245)	-	(6,633,777)	-	(6,633,777)
Payment of debtor recognised from related party	-	-	(3,943,049)	-	(3,943,049)	-	(3,943,049)
Dividend paid to Foreman Trading Limited investors	-	-	(38,301)	-	(38,301)	-	(38,301)
<b>Balance as at 31 December 2021</b>	<b>6,659,934</b>	<b>-</b>	<b>83,394,177</b>	<b>76,723</b>	<b>90,130,837</b>	<b>1,528,602</b>	<b>91,659,439</b>



## Bracken Trading Limited

### Company statement of changes in equity for the year ended 31 December 2021

	Called up share capital £	Share premium account £	Profit and loss account £	Merger reserve £	Total shareholders' funds £
Balance as at 1 January 2020	7,787,281	-	73,394,062	27,724,018	108,905,361
Total comprehensive loss for the financial year	-	-	(2,559,646)	-	(2,559,646)
Shares issued during the period	8,712	118,482	-	-	127,194
Utilised on redemption of shares	(691,528)	(118,482)	(5,191,433)	-	(6,001,443)
Capital reduction – distribution contrary to Co Act	-	-	(3,943,049)	-	(3,943,049)
Debtor recognised from related party	-	-	3,943,049	-	3,943,049
Balance as at 31 December 2020 (as stated)	7,104,465	-	65,642,983	27,724,018	100,471,466
Prior period adjustments (Note 23)	-	-	(89,494)	-	(89,494)
<b>Balance as at 31 December 2020 (restated)</b>	<b>7,104,465</b>	<b>-</b>	<b>65,553,489</b>	<b>27,724,018</b>	<b>100,381,972</b>
Total comprehensive loss for the financial year	-	-	(2,844,443)	-	(2,844,443)
Shares issued during the year	0	1	-	-	1
Utilised on redemption of shares	(444,531)	(1)	(6,189,245)	-	(6,633,777)
Payment of debtor recognised from related party	-	-	(3,943,049)	-	(3,943,049)
<b>Balance as at 31 December 2021</b>	<b>6,659,934</b>	<b>-</b>	<b>52,576,752</b>	<b>27,724,018</b>	<b>86,960,704</b>

Detail regarding the restatement of 2020 numbers can be found in note 23.

## Bracken Trading Limited

### Consolidated statement of cash flows for the year ended 31 December 2021

	2021 £	Restated 2020 £
<b>Cash flows from operating activities</b>		
Profit for the financial year attributable to owners of the parent	2,238,883	4,228,513
<b>Adjustments for:</b>		
Tax on profit on ordinary activities	299,360	78,602
Interest payable	282,125	278,454
Amortisation of intangible fixed assets	130,000	168,798
Depreciation of tangible fixed assets	702,420	662,186
Movement in cash flow hedge	119,987	(144,200)
Decrease in debtors	3,653,467	9,675,388
(Decrease)/Increase in creditors	(2,366,518)	2,071,579
Minority interests	63,184	150,559
Income from other fixed asset investments	(4,608,926)	(7,178,149)
Tax (paid)	(436,105)	(922,049)
<b>Net cash generated from operating activities</b>	<b>77,880</b>	<b>9,069,681</b>
<b>Cash flow from investing activities</b>		
Purchase of ordinary shares in minority interests	(373,804)	(370,584)
Purchase of tangible fixed assets	(229,710)	(1,103)
Purchase of unlisted and other investments	(8,480,916)	(19,383,005)
Sale of unlisted and other investments	8,125,000	11,620,000
Income from other fixed asset investments	4,608,926	7,178,149
<b>Net cash generated/(used) in investing activities</b>	<b>3,649,496</b>	<b>(956,543)</b>

## Bracken Trading Limited

### Consolidated statement of cash flows for the year ended 31 December 2021 (continued)

	2021	Restated 2020
	£	£
<b>Cash flow from financing activities</b>		
Redemption of ordinary shares	(444,531)	(691,528)
Issuance of ordinary shares	0	8,712
Distribution from profit and loss on redemption of shares	(6,189,245)	(5,191,433)
Premium on issuance of shares	1	118,242
Premium on cancellation of shares	(1)	(118,242)
Bank loan repayment	(321,000)	-
Interest paid on bank loan	(282,125)	(278,454)
Dividend paid to minority interest	(38,301)	(9,967)
<b>Net cash used in financing activities</b>	<b>(7,275,202)</b>	<b>(6,162,670)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(3,547,826)</b>	<b>1,950,468</b>
Cash and cash equivalents at the beginning of the year	7,982,128	6,031,660
<b>Cash and cash equivalents at the end of the year</b>	<b>4,434,302</b>	<b>7,982,128</b>

Detail regarding the restatement of 2020 numbers can be found in note 23.

# **Bracken Trading Limited**

## **Statement of accounting policies**

### **Company information**

The company is a private limited company and is incorporated and domiciled in England, United Kingdom, with company registration number 12124765. 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 Trading 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 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 Trading Limited as listed in note 10 of the annual financial statements. Certain of these subsidiaries have taken the exemption from an audit for the year ended 31 December 2021 by virtue of s479a of Companies Act 2006. In order to allow these subsidiaries to take the audit exemption, the parent company Bracken Trading Limited has given a statutory guarantee of all the outstanding liabilities as at 31 December 2021 of the subsidiaries listed in note 10, further details of which are provided in note 18.

### **Basis of consolidation**

The consolidated financial statements include the results of Bracken Trading 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.

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:

# **Bracken Trading Limited**

## **Statement of accounting policies (continued)**

### **Exemptions for qualifying entities under FRS 102 (continued)**

The company has taken advantage of the following exemptions (continued):

- (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 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 on pages 2 to 4. The financial position of the group, its cashflows, liquidity position and borrowing facilities are described in the financial review on pages 2 to 3. The principal risks of the group are set out on pages 3 to 4.

The Directors perform an annual going concern review 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.

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 given to the following:

- At the 31 December 2021, the group had available cash of £4,434,302 (2020: £7,982,128). Debt of £9,725,362 (2020: £10,379,000) is due to mature in more than one year. The group's facilities and repayment dates are set out in Note 12 Creditors: amounts due after more than one year.
- A reverse stress test was performed on the base case forecast to ascertain what scenarios would result in risks to the group's liquidity position. The test showed even in an unlikely scenario of a significant reduction of revenue of 100% the group is able to sustain its current operational costs and meet all liabilities as they fall due for at least a year when utilising the available facilities within the group.
- The Belenus Energy Limited financing facility contains covenants requiring Belenus Energy Limited to maintain specified financial ratios and comply with certain other financial covenants. These financial covenants are tested semi-annually, and, at the dates of this report, Belenus Energy Limited is in compliance with all its financial covenants and all covenants have been forecast to be met in the going concern period.
- Key accounting judgements and estimates have been made with consideration given to the current uncertain economic outlook. Key estimates including impairment of debtors and investment values have been set out on page 25.

Based on the above assessment of the impact on the financial position, liquidity and financial covenants, the directors have concluded that the 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.

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## **Bracken Trading 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 accrual's 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 from the sale of electricity generated by the solar farms that the group owns and operates. Revenue from electricity generation is recognised in the period in which it is generated, and any un-invoiced income is accrued in the period.

#### **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.

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses.

#### **Intangible fixed assets and amortisation (continued)**

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

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.

#### **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. Depreciation commences from the date an asset is brought into service. The estimated useful lives are as follows:

Plant and Machinery	4% and 10% straight line
---------------------	--------------------------

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.

## **Bracken Trading Limited**

### **Statement of accounting policies (continued)**

#### **Investments – Group**

Other financial assets, including investments in equity investments 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 that investments in equity investments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

#### **Investments - Company**

The company holds investments in a subsidiary 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. A reversal of an impairment loss is recognised in the profit and loss account.

#### **Cash**

Cash includes cash in hand and deposits repayable on demand.

#### **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.

#### **Accrued income**

Accrued income is calculated at the rate of interest set out in the loan contracts. 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 and is released to the profit and loss account in the period to which it relates.

## **Bracken Trading Limited**

### **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 consolidated 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.

#### **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 income statement.

The gain or loss recognised in other comprehensive income is reclassified to the income statement in accordance with the cash flows of the hedged item. Hedge accounting is discontinued when the hedging instrument expires, no longer meets the hedging criteria, the forecast transaction is no longer highly probable, the hedged debt instrument is de-recognised or the hedging instrument is terminated.

#### **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.



# **Bracken Trading Limited**

## **Statement of accounting policies (continued)**

### **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.

### **Financial instruments (continued)**

#### **(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.

### **Foreign currencies**

#### **(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.

## **Bracken Trading Limited**

### **Statement of accounting policies (continued)**

#### **(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'.

#### **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.

#### **Current and deferred tax (continued)**

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.

# **Bracken Trading Limited**

## **Statement of accounting policies (continued)**

### **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) Provisions for impairment of debtors (estimate)**

Debtor balances, including associated accrued income balances, are reviewed for impairment on a quarterly basis. In considering the need for a provision, management determine their best estimate of the expected future cashflows.

As 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, this 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 11 for the carrying amount of the debtors.

The group assesses all potential liabilities and uncertainties in light of the requirements of FRS 102 Section 21 Provisions and Contingencies. Provisions are recognised when amounts can be reliably estimated, and the likelihood of settlement is probable.

### **Key accounting judgements and estimates (continued)**

#### **(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 forecasted 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 managements judgement. Testing of the carrying value has been performed during the year, which has involved several scenarios being modelled.

Based on this testing, management believes there is sufficient headroom to support the carrying value of goodwill and investments in subsidiary entities, although it is possible, on the basis of existing knowledge, that outcomes within the next financial year that are different from the assumptions used could require a material adjustment to the carrying amount of assets.

#### **(iii) Cash flow hedges (estimate)**

Cash flow hedges on the group's external borrowings 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.

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## **Bracken Trading Limited**

### **Statement of accounting policies (continued)**

#### **(iv) Decommissioning provision (judgement)**

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.

## Bracken Trading Limited

### Notes to the financial statements for the year ended 31 December 2021

#### 1 Turnover

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

	2021	2020
	£	£
Loan interest and arrangement fees	1,065,072	1,579,832
Energy income	1,799,640	1,407,304
	<b>2,864,712</b>	<b>2,987,136</b>

All turnover arose within the United Kingdom.

#### 2 Operating loss

Operating loss is stated after charging/(crediting):

	2021	Restated 2020
	£	£
Amortisation of intangible fixed assets	130,002	168,798
Depreciation of tangible fixed assets – owned by the group	702,420	662,186
Auditors' remuneration – company and the group's consolidated financial statements	46,000	53,000
Auditors' remuneration – audit of the company's subsidiaries	18,000	9,000
Auditors' remuneration – non audit services	5,752	5,752
Auditors' remuneration – tax compliance services	26,141	24,425
Management and arrangement fees	2,163,641	2,345,467
Operating lease rentals	82,269	81,045
Difference on foreign exchange	(3,691)	2,202
Irrecoverable VAT	486,497	89,494

Detail regarding the restatement of 2020 numbers can be found in note 23.

## Bracken Trading Limited

### Notes to the financial statements for the year ended 31 December 2021 (continued)

#### 3 Directors' remuneration

	2021	2020
<b>Group and company</b>	<b>£</b>	<b>£</b>
Wages and salaries	85,000	82,500
Social security costs	6,530	4,006
	91,530	86,506

During the year, no pension contributions were made in respect of the directors (2020: £nil). There are no key management personnel other than the directors (2020: £nil).

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

	2021	2020
<b>Group and company</b>	<b>Number</b>	<b>Number</b>
Directors	3	3

#### 4 Income from other fixed asset investments

	2021	2020
	<b>£</b>	<b>£</b>
Income from partnership interests	4,608,926	7,178,149

#### 5 Interest payable and similar expenses

	2021	2020
	<b>£</b>	<b>£</b>
Interest on bank borrowings	282,125	278,454

## Bracken Trading Limited

### Notes to the financial statements for the year ended 31 December 2021 (continued)

#### 6 Tax on profit

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

	2021	2020
	£	£
<b>Current tax:</b>		
UK Corporation tax on profit for the year	465,670	670,631
Adjustments in respect of prior periods	(269,064)	(732,306)
Total current tax	196,606	(61,675)
<b>Deferred tax:</b>		
Origination and reversal of timing differences	23,376	33,770
Adjustments in respect of prior periods	3,806	87,349
Impact of change of tax rate	75,572	19,158
Total deferred tax (Note 13)	102,754	140,277
<b>Tax per Income statement</b>	<b>299,360</b>	<b>78,602</b>

(b) Reconciliation of tax charge/(credit)

The tax assessed for the year is lower (2020: higher) than the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained below:

	2021	2020
	£	£
<b>Profit before tax (2020 restated)</b>	<b>2,721,414</b>	<b>4,313,474</b>
Profit multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%) (2020 as stated)	517,069	736,587
Effects of:		
Expenses not deductible for tax purposes	39,443	42,251
Losses	-	(135,955)
Intercompany debt written-off	-	45,009
Adjustments in respect of prior periods (2020 restated)	(265,258)	(544,980)
Tax rate changes	75,572	19,158
Unrecognised deferred tax	(67,466)	(83,468)
<b>Tax charge for the year (note 6(a))</b>	<b>299,360</b>	<b>78,602</b>

Detail regarding the restatement of 2020 numbers can be found in note 23.

## **Bracken Trading Limited**

### **Notes to the financial statements for the year ended 31 December 2021 (continued)**

#### **7 Intangible assets**

Note: All group intangible assets are constituted of Goodwill, in relation to acquisitions.

<b>Group</b>	<b>Total £</b>
<b>Cost</b>	
<b>At 1 January 2021</b>	<b>4,499,110</b>
Acquisitions	-
<b>At 31 December 2021</b>	<b>4,499,110</b>
<b>Accumulated amortisation</b>	
At 1 January 2021	2,398,539
Charge for the year	130,002
<b>At 31 December 2021</b>	<b>2,528,541</b>
<b>Net book value</b>	
<b>At 31 December 2021</b>	<b>1,970,569</b>
At 31 December 2020	2,100,571

The company has no intangible assets to disclose (2020: £nil). The group and company have no intangible assets pledged as securities for liabilities (2020: £nil).



## Bracken Trading Limited

### Notes to the financial statements for the year ended 31 December 2021 (continued)

#### 8 Tangible assets

<b>Group</b>	<b>Plant and Machinery £</b>
<b>Cost</b>	
At 1 January 2021	12,997,484
Additions	229,710
<b>At 31 December 2021</b>	<b>13,227,194</b>
<b>Accumulated Depreciation</b>	
At 1 January 2021	1,729,514
Charge for the year	702,420
<b>At 31 December 2021</b>	<b>2,431,934</b>
<b>Net book value</b>	
<b>At 31 December 2021</b>	<b>10,795,260</b>
At 31 December 2020	11,267,970

The company has no tangible assets to disclose (2020: £nil). The group and company have no finance leases to disclose (2020: £nil). The group and company have tangible assets pledged as securities for liabilities of £10,795,260 (2020 restated: £11,267,970).

## Bracken Trading Limited

### Notes to the financial statements for the year ended 31 December 2021 (continued)

#### 9 Investments

<b>Group</b>	<b>Unlisted investments £</b>
<b>Cost or valuation</b>	
At 1 January 2021	72,644,557
Additions	8,480,916
Disposals	(8,125,000)
<b>At 31 December 2021</b>	<b>73,000,473</b>
<b>Net book value</b>	
<b>At 31 December 2021</b>	<b>73,000,473</b>
At 31 December 2020	72,644,557

Unlisted investments comprise the group's capital contribution to Terido LLP, a lending business. Disposals during the year related to cash management activities of the group.

This has not been treated as an associated undertaking and its results have not been consolidated as, in the opinion of the directors, Bracken Trading Limited is unable to exert significant influence over its activities.

<b>Company</b>	<b>Investments in subsidiary undertakings £</b>
<b>Cost or valuation</b>	
At 31 December 2020	35,511,299
Additions	-
<b>At 31 December 2021</b>	<b>35,511,299</b>
<b>Accumulated impairment</b>	
At 31 December 2020	-
Impairments	-
<b>At 31 December 2021</b>	<b>-</b>
<b>Net book value</b>	
<b>At 31 December 2021</b>	<b>35,511,299</b>
At 31 December 2020	35,511,299

## Bracken Trading Limited

### Notes to the financial statements for the year ended 31 December 2021 (continued)

#### 10 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
Bracken Holdings Limited*	UK	Ordinary	100%	Holding company
Foreman Trading Limited*^	UK	Ordinary	96.1%	Wholesale trading
BridgeCo Limited*^	UK	Ordinary	100%	Finance provider
Spinney Services Limited*^	UK	Ordinary	97.4%	Holding company
Javelin Wholesale Limited *^	UK	Ordinary	97.4%	Wholesale trading
Belenus Energy Limited^	UK	Ordinary	100%	Holding company
Averill Farm Limited ^	UK	Ordinary	100%	Solar power generation
MTS Spittleborough Solar 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 Trading Limited

### Notes to the financial statements for the year ended 31 December 2021 (continued)

#### 11 Debtors

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	2020	<b>2021</b>	2020
	£	restated	£	restated
<b>Amounts falling due within one year</b>				
Trade debtors	<b>4,106,802</b>	7,296,870	-	-
Other debtors	<b>714,386</b>	75,759	<b>443,537</b>	3,957,058
Amounts owed by related party	-	3,943,049	-	-
Prepayments and accrued income	<b>8,240,918</b>	9,304,646	<b>22,763</b>	22,003
Amounts owed by group undertakings	-	-	<b>50,916,955</b>	63,347,349
Derivative Asset	<b>89,431</b>	196,710	-	-
Corporation tax	<b>663,397</b>	499,569	-	-
	<b>13,814,934</b>	21,316,603	<b>51,383,255</b>	67,326,410

Trade debtors are stated after provisions for impairment of £451,718 (2020: £421,985). Accrued income is stated after provisions for impairment of £65,573 (2020: £81,567).

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

Detail regarding the restatement of 2020 numbers can be found in note 23.

## Bracken Trading Limited

### Notes to the financial statements for the year ended 31 December 2021 (continued)

#### 12 Creditors: amounts falling due within one year

	Group		Company	
	2021	2020 restated	2021	2020
Amounts falling due within one year	£	£	£	£
Trade creditors	58,770	59,042	14,000	902
Other creditors	1,252,806	889,893	-	-
Bank loan	653,638	321,000	-	-
Accruals and deferred income	337,930	3,067,089	104,369	2,461,379
	<b>2,303,144</b>	<b>4,337,024</b>	<b>118,369</b>	<b>2,462,281</b>

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

	Group	
	2021	2020
	£	Restated £
Amounts falling due after more than one year		
Bank loan	<b>9,725,362</b>	10,379,000

The bank loan is secured against assets held of Belenus Energy Limited. The final repayment date is 31<sup>st</sup> March 2034.

	Interest rate	2021	2020
		£	£
Belenus Energy Limited	6 month LIBOR plus 1.25%	<b>10,379,000</b>	10,700,000

From 31 March 2022, the use of Libor will be discontinued. The new interest rate applied to the bank loan will be based on SONIA. SONIA is based on actual transactions and reflects the average of the interest rates that banks pay to borrow sterling overnight from other financial institutions and other institutional investors, as defined by the Bank of England.

The company has no creditors falling due after more than one year to disclose (2020: £nil).

Creditors have been restated in 2020 to reflect balances payable within 12 months of the prior balance sheet date. Detail regarding the restatement of 2020 numbers can be found in note 23.

## Bracken Trading Limited

### Notes to the financial statements for the year ended 31 December 2021 (continued)

#### Creditors: amounts falling due after more than one year (continued)

Analysis of changes in net debt:

	As at 1 January 2021	Cashflows	Fair value and exchange movements	As at 31 December 2021
	£	£	£	£
Cash and cash equivalents	7,982,128	(3,547,826)	-	4,434,302
Bank loans	(10,700,000)	321,000	-	(10,379,000)
Derivative financial instruments	196,710	-	(107,279)	89,431
<b>Total</b>	<b>(2,521,162)</b>	<b>(3,226,826)</b>	<b>(107,279)</b>	<b>(5,855,267)</b>

#### 13 Deferred tax

	Group 2021	2020
Deferred tax (asset)/liability	£	£
At 1 January	249,506	75,492
Adjustments in respect of prior years	(8,153)	87,349
Deferred tax charge to I/S for the period	98,948	52,928
Deferred tax charge to OCI for the period	(12,708)	33,737
At 31 December	327,593	249,506

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

	Group 2021	2020
	£	£
Timing differences on fixed assets	314,885	215,769
Non-trading timing differences	12,708	33,737
	327,593	249,506

The company has no deferred tax to disclose (2020: £nil).

## Bracken Trading Limited

### Notes to the financial statements for the year ended 31 December 2021 (continued)

#### 13 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 2021 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 19% (2020: 19%).

	<b>Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Timing differences	(45,177)	33,132
Tax losses carried forward	174,189	132,413
	<b>129,012</b>	<b>165,545</b>

#### 14 Financial instruments

The group and company have the following financial instruments:

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>Restated £</b>	<b>£</b>	<b>Restated £</b>
<b>Carrying amount of financial assets</b>				
Debt instruments measured at amortised cost	4,821,188	11,472,459	51,360,493	63,361,357
Equity instruments measured at cost less impairment	73,000,473	72,644,557	35,511,299	35,511,299
Derivative instruments measured at fair value	89,431	196,710	-	-
<b>Carrying amount of financial liabilities</b>				
Measured at amortised cost	11,656,839	11,648,936	14,000	902

#### Derivative financial instruments

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. See the Strategic report on page 3 for the Directors consideration and mitigation strategies for these risks.

## Bracken Trading Limited

### Notes to the financial statements for the year ended 31 December 2021 (continued)

#### 14 Financial instruments (continued)

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 31<sup>st</sup> December 2021 the outstanding interest rate swaps have a maturity in excess of five years and the fair value is an asset of £89,431 (2020: £196,710).

Detail regarding the restatement of 2020 numbers can be found in note 23.

#### 15 Provisions for liabilities

<b>Group</b>	<b>Deferred tax £</b>	<b>Total £</b>
At 1 January 2020	75,492	75,492
Recognised during the year	174,014	174,014
<b>At 31 December 2020</b>	<b>249,506</b>	<b>249,506</b>
Recognised during the year	78,087	78,087
<b>At 31 December 2021</b>	<b>327,593</b>	<b>327,593</b>

The company had no provisions at 31 December 2021 (2020: £nil).

#### 16 Called up share capital

<b>Group Allotted, called-up and fully paid</b>	<b>2021 £</b>	<b>2020 £</b>
66,599,339 (2020: 71,044,653) Ordinary shares of £0.10 each	<b>6,659,934</b>	7,104,465
	<b>6,659,934</b>	7,104,465

<b>Company</b>	<b>2021 £</b>	<b>2020 £</b>
<b>Allotted, called-up and fully paid</b>		
66,599,339 (2020: 71,044,653) Ordinary shares of £0.10 each	<b>6,659,934</b>	7,104,465
	<b>6,659,934</b>	7,104,465



## Bracken Trading Limited

### Notes to the financial statements for the year ended 31 December 2021 (continued)

#### 16 Called up share capital (continued)

During the year the group and company issued 1 (2020: 87,119) ordinary shares of £0.10 each with an aggregate nominal value of £0.10 (2020: £8,712). Total consideration of £1.50 (2020: £127,194) was paid for the shares, giving rise to a premium of £1.40 (2020: £126,323). During the year the group and company also cancelled 4,445,314 (2020: 6,915,278) ordinary shares, with a nominal value of £444,531 (2020: £691,528) and associated share premium of £nil (2020: £118,482), and distribution from reserves of £6,189,245 (2020: £5,191,433).

The movements on share capital during the year were as follows:

#### Group and Company

	Ordinary shares	Total
	£	£
<b>At 1 January 2020</b>	7,787,281	7,787,281
Issued during the year	8,712	8,712
Cancelled during the year	(691,528)	(691,528)
<b>At 31 December 2020</b>	<b>7,104,465</b>	<b>7,104,465</b>
Issued during the year	-	-
Cancelled during the year	(444,531)	(444,531)
<b>At 31 December 2021</b>	<b>6,659,934</b>	<b>6,659,934</b>

As part of the process of cancelling and extinguishing the Ordinary shares, an amount of £6,633,777 (2020: £5,874,249) was returned to the holders of those shares. The payment was constituted as follows:

	2021	2020
	£	£
Ordinary share capital cancelled	444,531	682,816
Distribution from profit and loss account	6,189,246	5,191,433
	<b>6,633,777</b>	<b>5,874,249</b>

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 arose from the difference between the fair value of the shares issued 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.

## Bracken Trading Limited

### Notes to the financial statements for the year ended 31 December 2021 (continued)

#### 17 Minority interests

	Foreman Limited	Trading	Spinney Services Limited	Total
	£		£	£
At 1 January 2020	1,760,066		299,181	2,059,247
Share of profit after tax	128,720		21,839	150,559
Increase in investment by group	(366,680)		(3,904)	(370,584)
<b>At 31 December 2020</b>	<b>1,522,106</b>		<b>317,116</b>	<b>1,839,222</b>
Share of profit after tax	52,102		11,082	63,184
Increase in investment by group	(229,521)		(144,283)	(373,804)
<b>At 31 December 2021</b>	<b>1,344,687</b>		<b>183,915</b>	<b>1,528,602</b>

#### 18 Contingencies

##### Contingent liabilities

Under section 479C of the Companies Act 2006, the parent company Bracken Trading Limited has guaranteed all outstanding liabilities to which the subsidiaries taking the audit exemption listed in note 10 were subject at the end of 31 December 2021 until they are satisfied in full. These liabilities total £65,756,672 (2020: £67,643,505), including intercompany loans of £62,696,824 (2020: £66,986,577). The net balance of these guarantees are enforceable against Bracken Trading 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:

	2021	2020
	£	£
Not later than one year	87,893	82,269
Later than one year and not later than five years	351,572	329,076
Later than five years	1,185,530	1,191,545
	<b>1,624,995</b>	<b>1,602,890</b>

The company has no operating lease commitments to disclose (2020: £nil). The group has no other off-balance sheet arrangements (2020: £nil).

## **Bracken Trading Limited**

### **Notes to the financial statements for the year ended 31 December 2021 (continued)**

#### **20 Post balance sheet events**

The group and company has nothing to report in this respect.

#### **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.

During the year, fees of £2,216,072 (2020: £2,786,835) were charged to the group by Octopus Investments Limited, a related party due to its significant influence over the entity. At the year end, an amount of £14,143 (2020: £6,077) was owed to the group which is included in the trade debtors.

The group is entitled to a profit share as a result of its membership in Terido LLP, a related party due to key management personnel in common. In 2021 a share of profit equal to £4,608,926 (2020: £7,178,149) has been recognised by the group. At the year end, the group has an interest in the member's capital of £73,000,473 (2020: £72,644,557) and accrued income due of £6,733,799 (2020: £7,540,332). At the year end, an amount of £nil (2020: £10,918) was owed from the group by Terido LLP which is included in the trade creditors.

At the year end, an amount of £nil (2020: £7,119) was owed from Fern Trading Group Limited, a related party due to key management personnel in common. This is included in the trade debtors.

#### **22 Ultimate parent company and controlling party**

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

## Bracken Trading Limited

### Notes to the financial statements for the year ended 31 December 2021 (continued)

#### 23 Prior period adjustments

During the year, management discovered a prior period error in relation to VAT that is not recoverable from HMRC within Bracken Trading Limited and Bracken Holdings Limited. Following an extensive review of the group's VAT position and historical transactions, management deemed there to be £1,021,895 of irrecoverable VAT; of this, £495,701 relates to the current year and £526,194 to prior periods. Of the £526,194, £436,700 related to Bracken Holdings Limited postings prior to 2020 and £89,494 related to Bracken Trading Limited postings during 2020. To correct for this, management have adjusted current and prior year administration expenses, with the corresponding amounts reducing the VAT asset on the balance sheet. A summary of the impact of prior period adjustments is provided below:

Group	Year ended 31 December 2019 (as stated) £'000	Adjustments £'000	Year ended 31 December 2019 (restated) £'000
Administrative expenses (SOCl)	4,191	437	4,628
Debtors: amounts falling due within one year (SOFp)	29,406	(437)	28,969

Group	Year ended 31 December 2020 (as stated) £'000	Adjustments £'000	Year ended 31 December 2020 (restated) £'000
Administrative expenses (SOCl)	5,210	89	5,299
Debtors: amounts falling due within one year (SOFp)	21,406	(89)	21,317

Company – Bracken Trading Limited	Year ended 31 December 2020 (as stated) £'000	Adjustments £'000	Year ended 31 December 2020 (restated) £'000
Administrative expenses (SOCl)	2,550	89	2,639
Debtors: amounts falling due within one year (SOFp)	67,416	(89)	67,327

## **Bracken Trading Limited**

### **Notes to the financial statements for the year ended 31 December 2021 (continued)**

#### **23 Prior period adjustments (continued)**

Creditors have been restated in 2020 to reclassify balances payable by Belenus Energy Limited, a subsidiary of Bracken Trading Limited, from creditors falling due after more than one year to creditors falling due within one year of the prior balance sheet date.

There was no change in the total creditors position as at 31 December 2020.

<b>Group</b>	<b>Year ended 31 December 2020 (as stated) £'000</b>	<b>Adjustments £'000</b>	<b>Year ended 31 December 2020 (restated) £'000</b>
Creditors: amounts falling due after more than one year (SOFP)	10,700	(321)	10,379
Creditors: amounts falling due within one year (SOFP)	4,016	321	4,337