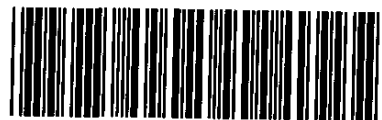


Bracken Trading Limited
Annual report and financial statements
for the year ended 31 December 2022

Registered number 12124765

SATURDAY



ACD4UVQX

A39

30/09/2023

#144

COMPANIES HOUSE

Bracken Trading Limited

Annual report and financial statements for the year ended 31 December 2022

Contents

Directors and advisers	1
Strategic report	2
Directors' report	5
Independent auditors' report	7
Consolidated statement of comprehensive income	11
Consolidated balance sheet	12
Company balance sheet	13
Consolidated statement of changes in equity	14
Company statement of changes in equity	15
Consolidated statement of cash flows	16
Statement of accounting policies	18
Notes to the financial statements	27

Bracken Trading Limited

Directors and advisers

Directors

PS Latham

KJ Willey

T Arthur

PG Barlow (Appointed on 1 July 2022)

SM Grant (Appointed on 1 January 2023)

Company secretary

Octopus Company Secretarial Services Limited

Company number

12124765

Registered office

6th Floor

33 Holborn

London

EC1N 2HT

Independent auditors

Ernst & Young LLP

Bedford House

16 Bedford Street

Belfast

BT2 7DT

Bankers

HSBC plc

31 Holborn

London

EC1N 2HR

Bracken Trading Limited

Strategic report for the year ended 31 December 2022

Introduction

The Directors present their strategic report for Bracken Trading Limited ("the Company") and its subsidiaries ("the Group") for the year ended 31 December 2022.

In the financial year to 31 December 2022, the Group has continued to undertake a trade of lending, as well as energy generation in owning and operating two solar farms. In the lending business, the Group has written one new loan in the period, however all drawdowns were made after the year end. 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 through its membership in Terido LLP.

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

The Directors have considered the interests of other stakeholders within the Directors report, which have an impact on the long-term success of the Company when performing their duty to promote the success of the Company under section 172 of the Companies Act. 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 managed 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 the Group operates and have considered the business specific risks and uncertainties within this strategic report.

Business review

Group turnover for the year ended 31 December 2022 was £3,485,234 (2021: £2,864,712), comprising of loan interest and arrangement fees of £489,018 (2021: £1,065,072) and energy income of £2,996,216 (2021: £1,799,640). 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 increased owing to an increase in wholesale energy prices during the year. The Group investments decreased slightly to £70,645,894 (2021: £73,000,473) due to the Group reducing its membership contributions in Terido LLP to meet cashflow requirements. The Group profit before tax, increased for the financial year to £4,752,463 (2021: £2,721,414). This increase was mainly as a result of the Group earning higher profit share from its membership in Terido LLP during the year £8,195,265 (2021: £4,608,926), which was driven by the increase and strong performance of the Terido LLP loan book during the year.

Bracken Trading Limited

Strategic report for the year ended 31 December 2022 (continued)

Business review (continued)

There were no new shares issued during the year (2021: 1), and 5,505,039 shares were cancelled by the Company, with a total of £550,504 (2021: £444,531) 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 regularly review strategic options for the Group.

The Company reported a loss for the year of £4,917,105 (2021: loss of £2,844,443) and admin expenses for the year were £6,909,504 (2021: £3,887,443) owing to higher Octopus Investments Limited's servicing fees charged in the year.

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 fall in house prices that affects the properties over which the Group's loans are secured, 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 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.

The UK Government brought in a temporary Energy Generation Levy legislation as of 1 January 2023, until 31 March 2028. The levy is applied to corporate groups generating electricity, including that of renewable energy. However, as at 31 December 2022, the Group does not expect to meet the required thresholds and does not expect to be impacted. This position will constantly be monitored to ensure the Group meets the legislation obligations.

Bracken Trading Limited

Strategic report for the year ended 31 December 2022 (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 2022 all loan to value ratios were at acceptable levels. The LTV for the book as a whole has remained at 65% from December 2021 to December 2022, 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 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).

Going concern

The financial statements are prepared on a going concern basis which the directors believe to be appropriate for the following reasons. 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. Management have performed an assessment to determine whether there are any material uncertainties arising that could cast significant doubt on the ability of the Group to continue as a going concern. No going concern indicators 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.

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 its membership in Terido LLP continues to support developers and other borrowers in their activities across the property market throughout the U.K. The Directors continue to remain open to opportunities that they believe will enhance returns.

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



Director **PAUL LATHAM**

Date: 26/09/2023

Bracken Trading Limited

Directors' report for the year ended 31 December 2022

The Directors present their report and audited consolidated financial statements for the Company and the Group for the year ended 31 December 2022.

Results and dividends

The Group profit for the financial year was £3,675,513 (2021: £2,422,054).

Foreman Trading Limited, a subsidiary of Bracken Trading Limited, paid a dividend to investors of £28,448 (2021: £38,301). There are no dividends paid or proposed by the Group as at 31 December 2022.

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
PG Barlow (Appointed on 1 July 2022)
SM Grant (Appointed on 1 January 2023)

Matters covered in the Strategic report

As permitted by section 414c (11) of the Companies Act 2006, the Directors have elected to disclose information required to be in the Director's report by Schedule 7 of the 'Large and Medium-sized Companies and Groups (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 2022 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 2022 (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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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 section 418 of the Companies Act 2006.

Bracken Trading Limited

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



Director **PAUL LATHAM**
Date: 26/09/2023

Bracken Trading Limited

Independent auditors' report to the members of Bracken Trading Limited

Opinion

We have audited the financial statements of Bracken Trading Limited ('the parent company') and its subsidiaries (the 'group') for the year ended 31 December 2022 which comprise the consolidated statement of comprehensive income, the consolidated and parent company balance sheet, the consolidated and parent company statement of changes in equity, the consolidated statement of cash flows and the related notes 1 to 22, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the group's and of the parent company's affairs as at 31 December 2022 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent company's ability to continue as a going concern for a period of 12 months from when the financial statements are authorised for issue.

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

Other information

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

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

Bracken Trading Limited

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

Other information (continued)

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Bracken Trading Limited

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

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

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

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are those that relate to the reporting framework (FRS 102 and the Companies Act 2006). Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations.
- We understood how the Company is complying with those frameworks by making enquiries of senior management, those charged with governance and those responsible for legal and compliance procedures. We corroborated our enquiries through review of the following documentation or performance of the following procedures:
 - obtaining an understanding of entity-level controls and considering the influence of the control environment;
obtaining an understanding of policies and procedures in place regarding compliance with laws and regulations, including how compliance with such policies is monitored and enforced;
obtaining an understanding of management's process for identifying and responding to fraud risks, including programs and controls established to address risks identified, or otherwise prevent, deter and detect fraud, and how senior management monitors those programs and controls;
 - Review of board meeting minutes in the period and to date of signing.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by holding a discussion within the audit team which included identification of related parties, understanding the company's business, the control environment and assessing the inherent risk for relevant assertions at the significant account level. We also held discussions with management to gain an understanding of those areas of the financial statements which were susceptible to fraud, as identified by management. We then considered the controls that the Company established to address risks identified by the entity or that otherwise seek to prevent, deter or detect fraud. We gained an understanding of the entity level controls and policies that the Company applies.
- We identified a fraud risk relating to management override of controls in relation to the recoverability of amounts owed by group undertakings. Our procedures to address the risk are listed below:
 - Our procedures involved testing of journal entries through journal analytics tools, with focus on manual journals, large or unusual transactions, or journals meeting our defined risk criteria based on our understanding of the business; tested accounting estimates for evidence of management bias; enquiring of members of senior management and those charged with governance regarding their knowledge of any non-compliance or potential non-compliance with laws and regulations that could affect the financial statements; and inspecting correspondence, if any, with the relevant licensing or regulatory authorities.

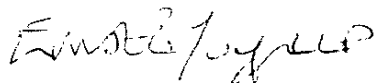
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Bracken Trading Limited

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

Use of our report

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



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

27 September 2023

Bracken Trading Limited

Consolidated statement of comprehensive income for the year ended 31 December 2022

		2022	2021
	Note	£	£
Turnover	1	3,485,234	2,864,712
Cost of sales		(762,894)	(582,656)
Gross profit		2,722,340	2,282,056
Administrative expenses		(5,878,515)	(3,887,443)
Operating loss	2	(3,156,175)	(1,605,387)
Income from other fixed asset investments	4	8,195,265	4,608,926
Other interest payable and similar expenses	5	(286,627)	(282,125)
Profit before tax		4,752,463	2,721,414
Tax on profit	6	(1,076,950)	(299,360)
Profit for the financial year		3,675,513	2,422,054
Other comprehensive income/(expenses)			
Movements in cash flow hedge reserve		362,039	(107,279)
Deferred tax		(92,922)	(12,708)
Total comprehensive income for the year		3,944,630	2,302,067
Profit attributable to:			
Minority interests	17	35,915	63,184
Owners of the parent		3,908,715	2,238,883
		3,944,630	2,302,067

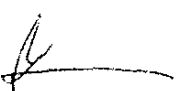
All amounts relate to continuing operations.

Bracken Trading Limited

Consolidated balance sheet as at 31 December 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	7	1,875,599	1,970,569
Tangible assets	8	10,593,818	10,795,260
Investments	9	70,645,894	73,000,473
		83,115,311	85,766,302
Current assets			
Debtors: amounts falling due after more than one year		1,902,182	1,523,047
Debtors: amounts falling due within one year	11	11,152,694	12,291,887
Cash at bank and in hand		4,872,783	4,434,302
		17,927,659	18,249,236
Creditors: amounts falling due within one year	12	(4,871,138)	(2,303,144)
Net current assets		13,056,521	15,946,092
Total assets less current liabilities		96,171,832	101,712,394
Creditors: amounts falling due after more than one year	12	(9,037,723)	(9,725,362)
Provisions for liabilities	15	(450,451)	(327,593)
Net assets		86,683,658	91,659,439
Capital and reserves			
Called up share capital	16	6,109,430	6,659,934
Profit and loss account		79,082,002	83,394,180
Cash flow hedge reserve		345,840	76,723
Total shareholders' funds		85,537,272	90,130,837
Minority interests	17	1,146,386	1,528,602
Capital employed		86,683,658	91,659,439

The financial statements on pages 11 to 45 were approved and authorised for issue by the board and were signed on its behalf by:


 Director **PAUL LATHAM**
 Date: 26/09/2023
 Company number: 12124765

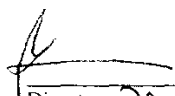
Bracken Trading Limited

Company balance sheet as at 31 December 2022

		2022	2021
	Note	£	£
Fixed assets			
Investments	9	35,511,299	35,511,299
		35,511,299	35,511,299
Current assets			
Debtors: amounts falling due within one year	11	40,596,502	51,383,254
Cash at bank and in hand		121,019	184,519
		40,717,521	51,567,773
Creditors: amounts falling due within one year	12	(2,659,051)	(118,369)
Net current assets		38,058,470	51,449,404
Total assets less current liabilities		73,569,769	86,960,703
Net assets		73,569,769	86,960,703
Capital and reserves			
Called up share capital	16	6,109,430	6,659,934
Profit and loss account		39,736,322	52,576,751
Merger reserve		27,724,017	27,724,017
Total shareholders' funds		73,569,769	86,960,703

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 £4,917,105 (2021: Loss £2,844,443).

The financial statements on pages 11 to 45 were approved and authorised for issue by the board and were signed on its behalf by:


 Director **PAUL LATHAM**
 Date: 26/09/2023
 Company number: 12124765

Bracken Trading Limited

Consolidated statement of changes in equity for the year ended 31 December 2022

	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 2021	7,104,465	-	91,205,902	196,710	98,507,077	1,839,222	100,346,299
Total comprehensive income for the financial year (restated)	-	-	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 period	-	1	-	-	1	-	1
Shares cancelled during the year	(444,531)	(1)	-	-	(444,532)	-	(444,532)
Utilised on redemption of shares	-	-	(6,189,245)	-	(6,189,245)	-	(6,189,245)
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)
Balance as at 31 December 2021	6,659,934	-	83,394,178	76,723	90,130,835	1,528,602	91,659,437
Total comprehensive income for the financial year	-	-	3,639,598	-	3,639,598	35,915	3,675,513
Increase in investment by group	-	-	-	-	-	(418,131)	(418,131)
Shares cancelled during the year	(550,504)	-	-	-	(550,504)	-	(550,504)
Utilised on redemption of shares	-	-	(7,923,325)	-	(7,923,325)	-	(7,923,325)
Changes in market value of cash flow hedge	-	-	-	269,117	269,117	-	269,117
Dividend paid to Foreman Trading Limited investors	-	-	(28,448)	-	(28,448)	-	(28,448)
Balance as at 31 December 2022	6,109,430	-	79,082,002	345,840	85,537,272	1,146,386	86,683,658

Bracken Trading Limited

Company statement of changes in equity for the year ended 31 December 2022

	Called up share capital £	Share premium account £	Profit and loss account £	Merger reserve £	Total shareholders' funds £
Balance as at 1 January 2021	7,104,465	-	65,553,489	27,724,017	100,381,971
Total comprehensive loss for the financial year	-	-	(2,841,443)	-	(2,841,443)
Shares issued during the period	-	1	-	-	1
Shares cancelled during the year	(444,531)	(1)	-	-	(444,532)
Utilised on redemption of shares	-	-	(6,189,245)	-	(6,189,245)
Capital reduction – distribution contrary to Co. Act	-	-	-	-	-
Debtor recognised from related party	-	-	(3,943,049)	-	(3,943,049)
Balance as at 31 December 2021	6,659,934	-	52,576,752	27,724,017	86,960,703
Total comprehensive loss for the financial year	-	-	(4,917,105)	-	(4,917,105)
Shares issued during the period	-	-	-	-	-
Shares cancelled during the year	(550,504)	-	-	-	(550,504)
Utilised on redemption of shares	-	-	(7,923,325)	-	(7,923,325)
Balance as at 31 December 2022	6,109,430	-	39,736,322	27,724,017	73,569,769

Included within the profit and loss account in the capital account is the capital redemption reserve, utilised on the redemption of shares during the bi-annual buyback process. The closing position of this reserve is nil (2020: nil).

Bracken Trading Limited

Consolidated statement of cash flows for the year ended 31 December 2022

	2022	2021
	£	£
Cash flows from operating activities		
Profit for the financial year attributable to owners of the parent	3,908,714	2,238,883
Adjustments for:		
Tax on profit on ordinary activities	1,076,950	299,360
Interest payable	286,627	282,125
Amortisation of intangible fixed assets	94,970	130,000
Depreciation of tangible fixed assets	699,612	702,420
Movement in cash flow hedge	(269,117)	119,987
Decrease in debtors	760,060	3,653,467
Increase/(Decrease) in creditors	1,899,017	(2,366,518)
Minority interests	35,915	63,184
Income from other fixed asset investments	(8,195,265)	(4,608,926)
Tax (paid)	(50,000)	(436,105)
Net cash generated from operating activities	247,483	77,880
Cash flow from investing activities		
Purchase of ordinary shares in minority interests	(418,131)	(373,804)
Purchase of tangible fixed assets	(498,170)	(229,710)
Purchase of unlisted and other investments	(10,594,215)	(8,480,916)
Sale of unlisted and other investments	12,948,794	8,125,000
Income from other fixed asset investments	8,195,265	4,608,926
Net cash generated/(used) in investing activities	9,633,543	3,649,496

Bracken Trading Limited

Consolidated statement of cash flows for the year ended 31 December 2022 (continued)

	2022	2021
	£	£
Cash flow from financing activities		
Redemption of ordinary shares	(550,504)	(444,531)
Issuance of ordinary shares	-	-
Distribution from profit and loss on redemption of shares	(7,923,325)	(6,189,245)
Premium on issuance of shares	-	1
Premium on cancellation of shares	-	(1)
Bank loan repayment	(653,642)	(321,000)
Interest paid on bank loan	(286,627)	(282,125)
Dividend paid to minority interest	(28,448)	(38,301)
Net cash used in financing activities	(9,442,545)	(7,275,202)
Net increase/(decrease) in cash and cash equivalents	438,481	(3,547,826)
Cash and cash equivalents at the beginning of the year	4,434,302	7,982,128
Cash and cash equivalents at the end of the year	4,872,783	4,434,302

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 at 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 pound 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 2022 by virtue of section 479a 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 2022 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 continued 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 2022, the Group had available cash of £4,872,783 (2021: £4,434,302). Debt of £9,037,723 (2021: £9,725,362) is due to mature in more than one year. The Group's facilities and repayment dates are set out in Note 12.
- 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 would be able to sustain its current operational costs and meet all liabilities as they fall due for at least a year when utilising the membership in Terido LLP, held by 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 have 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.

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.

Turnover comprises two main classes of business. The primary 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.

The secondary revenue stream represents interest and other fees deriving from legacy property loans.

Other material source of income of the Group is through the membership in Terido L.L.P. Income represents the profit share generated throughout the year, calculated on the daily membership holding.

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 Company 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, and remeasured if their share changes.

Hedging

The Group applies hedge accounting for transactions entered 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.

(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 the nearest £1.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rate at the date of the transaction. 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 are presented in the statement of financial position under Other creditors.

Bracken Trading Limited

Statement of accounting policies (continued)

Current and deferred tax

Tax is recognised in the statement of comprehensive income, except where 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 recalculated annually.

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 and Group 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.

Bracken Trading Limited

Statement of accounting policies (continued)

Key accounting judgements and estimates (continued)

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.

(ii) Impairment of goodwill and investments (estimate)

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

Based on this testing, management believes there is sufficient headroom to support the carrying value of goodwill and investments in subsidiary entities.

(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.

(iv) Decommissioning provision (judgement)

Decommission provisions may arise on the Group's solar farms which are constructed on leased land. 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 2022

1 Turnover

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

	2022	2021
	£	£
Loan interest and arrangement fees	489,018	1,065,072
Energy income	2,996,216	1,799,640
	3,485,234	2,864,712

All turnover arose within the United Kingdom.

2 Operating loss

Operating loss is stated after charging/(crediting):

	2022	2021
	£	£
Amortisation of intangible fixed assets	94,970	130,002
Depreciation of tangible fixed assets owned by the group	699,612	702,420
Auditors' remuneration Company and the Group's consolidated financial statements	94,177	95,893
Management and arrangement fees	5,000,000	2,163,641
Operating lease rentals	87,442	82,268
Difference on foreign exchange	-	(3,691)
Irrecoverable VAT	736,772	486,497

Bracken Trading Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

3 Directors' remuneration

	2022	2021
Group and Company	£	£
Wages and salaries	97,500	85,000
Social security costs	7,118	6,530
	104,618	91,530

During the year, no pension contributions were made in respect of the Directors (2021: £nil). There are no key management personnel other than the Directors (2021: £nil).

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

	2022	2021
Company	Number	Number
Directors	4	3

4 Income from other fixed asset investments

	2022	2021
	£	£
Income from partnership interests	8,195,265	4,608,926

5 Interest payable and similar expenses

	2022	2021
	£	£
Interest on bank borrowings	286,627	282,125

Bracken Trading Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

6 Tax on profit

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

	2022	2021
	£	£
Current tax:		
UK Corporation tax on profit for the year	637,029	465,670
Adjustments in respect of prior periods	419,635	(269,064)
Total current tax	1,056,664	196,606
Deferred tax:		
Origination and reversal of timing differences	14,543	23,376
Adjustments in respect of prior periods	1,151	3,806
Impact of change of tax rate	4,592	75,572
Total deferred tax (Note 13)	20,286	102,754
Tax per Income statement	1,076,950	299,360

(b) Reconciliation of tax charge/(credit)

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

	2022	2021
	£	£
Profit before tax	4,752,463	2,721,414
Consolidation adjustment	(1,030,989)	-
Profit before tax – adjusted	3,721,474	2,721,414
Profit multiplied by standard rate of corporation tax in the UK of 20% (2021: 19%)	707,080	517,069
Effects of:		
Adjustments in respect of liabilities	1,030,990	-
Expenses not deductible for tax purposes	20,135	39,443
Income not taxable	8,051	-
Depreciation on ineligible assets	3,332	-
Adjustments in respect of prior periods (2021 restated)	420,787	(265,258)
Tax rate changes	4,592	75,572
Unrecognised deferred tax	(87,027)	(67,466)
Tax charge for the year (note 6(a))	1,076,950	299,360

Bracken Trading Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

7 Intangible assets

Group	Total £
Cost	
At 1 January 2022	4,499,110
Acquisitions	-
At 31 December 2022	4,499,110
Accumulated amortisation	
At 1 January 2022	2,528,541
Charge for the year	94,970
At 31 December 2022	2,623,511
Net book value	
At 31 December 2022	1,875,599
At 31 December 2021	1,970,569

Group intangible assets are comprised entirely of Goodwill arising on acquisitions.

The Company has no intangible assets to disclose (2021: £nil). The Group and Company have no intangible assets pledged as securities for liabilities (2021: £nil).

Bracken Trading Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

8 Tangible assets

Group	Plant and Machinery £
Cost	
At 1 January 2022	13,227,194
Additions	498,170
At 31 December 2022	13,725,364
Accumulated Depreciation	
At 1 January 2022	2,431,934
Charge for the year	669,612
At 31 December 2022	3,131,546
Net book value	
At 31 December 2022	10,593,818
At 31 December 2021	10,795,260

The Company has no tangible assets to disclose (2021: £nil). The Group and Company have no finance leases to disclose (2021: £nil). The Group and Company have tangible assets pledged as securities for liabilities of £10,593,260 (2021: £10,795,260).

Bracken Trading Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

9 Investments

Group	Unlisted investments £
Cost or valuation	
At 1 January 2022	73,000,473
Additions	10,594,215
Disposals	(12,948,794)
At 31 December 2022	70,645,894
Net book value	
At 31 December 2022	70,645,894
At 31 December 2021	73,000,473

Unlisted investments comprise the Group's membership in Terido LLP, a lending business.

This holding 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.

Company	Investments in subsidiary undertakings £
Cost or valuation	
At 31 December 2021	35,511,298
Additions	-
At 31 December 2022	35,511,298
Accumulated impairment	
At 31 December 2021	-
Impairments	-
At 31 December 2022	-
Net book value	
At 31 December 2022	35,511,298
At 31 December 2021	35,511,298

Bracken Trading Limited

Notes to the financial statements for the year ended 31 December 2022 (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	97.08%	Wholesale trading
BridgeCo Limited*^	UK	Ordinary	100%	Finance provider
Spinney Services Limited*^	UK	Ordinary	97.85%	Holding company
Javelin Wholesale Limited *^	UK	Ordinary	97.85%	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, United Kingdom.

Bracken Trading Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

11 Debtors

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Amounts falling due after more than one year				
Trade debtors	816,785	1,513,996	-	-
Prepayments and accrued income	1,085,397	9,051	-	-
	1,902,182	1,523,047	-	-

	Group		Company	
	2022£	2021	2022	2021
	£	£	£	£
Amounts falling due within one year				
Trade debtors	3,032,788	2,592,806	-	-
Other debtors	-	714,386	222,411	443,537
Prepayments and accrued income	7,504,711	8,231,867	30,833	22,763
Amounts owed by group undertakings	-	-	39,333,126	50,916,955
Derivative asset	461,120	89,431	-	-
Corporation tax	154,075	663,397	1,010,132	-
	11,152,694	12,291,887	40,596,502	51,383,255

Trade debtors are stated after provisions for impairment of £208,755 (2021: £451,718). Accrued income is stated after provisions for impairment of £Nil (2021: £65,573).

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

Bracken Trading Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

12 Creditors: amounts falling due within one year

	Group		Company	
	2022	2021	2022	2021
Amounts falling due within one year	£	£	£	£
Trade creditors	363,601	58,770	2,000	14,000
Other creditors	727,242	1,252,806	-	-
Bank loan	687,636	653,638	-	-
Accruals and deferred income	3,092,659	337,930	2,657,051	104,369
	4,871,138	2,303,144	2,659,051	118,369

Creditors: amounts falling due after more than one year

	2022	2021
Amounts falling due after more than one year	£	£
Bank loan	9,037,723	9,725,362

The bank loan is secured against assets held by Belenus Energy Limited. The final repayment date is 30th September 2024.

	Interest rate	2022	2021
		£	£
Belenus Energy Limited	SONIA plus 0.24766% CAS	9,725,358	10,379,000

Prior to 31 March 2022, the base rate of external debt was Libor, which has since been discontinued and replaced by 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 (2021: £nil).

Bracken Trading Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

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

Analysis of changes in net debt:

	As at 1 January 2022	Cashflows	Fair value and exchange movements	As at 31 December 2022
	£	£	£	£
Cash and cash equivalents	4,434,302	438,481	-	4,872,783
Bank loans	(10,379,000)	653,641	-	(9,725,359)
Derivative financial instruments	89,431	-	371,689	461,120
Total	(5,855,267)	1,092,122	371,689	(4,391,453)

13 Deferred tax

	2022	Group 2021
Deferred tax (asset)/liability	£	£
At 1 January	327,593	249,506
Adjustments in respect of prior years	10,801	(8,153)
Deferred tax charge to I/S for the period	19,135	98,948
Deferred tax charge to OCI for the period	92,922	(12,708)
At 31 December	450,451	327,593

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

	2022	Group 2021
	£	£
Timing differences on fixed assets	335,171	314,885
Non-trading timing differences	115,280	12,708
	450,451	327,593

The Company has no deferred tax to disclose (2021: £nil).

Bracken Trading Limited

Notes to the financial statements for the year ended 31 December 2022 (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 2022 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% (2021: 19%):

	Group	
	2022	2021
	£	£
Timing differences	(171,429)	(45,177)
Tax losses carried forward	174,189	174,189
	2,760	129,012

14 Financial instruments

The Group and Company have the following financial instruments:

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Carrying amount of financial assets				
Debt instruments measured at amortised cost	3,455,008	4,821,188	39,555,537	51,360,493
Equity instruments measured at cost less impairment	70,645,894	73,000,473	35,511,299	35,511,299
Derivative instruments measured at fair value	461,120	89,431	-	-
Carrying amount of financial liabilities				
Measured at amortised cost	10,764,989	11,656,839	2,000	14,000

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 2022 (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 December 2022 the outstanding interest rate swaps have a maturity in excess of five years and the fair value is an asset of £461,120 (2021: £89,431).

15 Provisions for liabilities

Group	Deferred tax £	Total £
At 1 January 2021	249,506	249,506
Recognised during the year	78,087	78,087
At 31 December 2021	327,593	327,593
Recognised during the year	122,858	122,858
At 31 December 2022	450,451	450,451

The Company had no provisions at 31 December 2022 (2021: £nil).

16 Called up share capital

Company	2022 £	2021 £
Allotted, called-up and fully paid	£	£
61,094,300 (2021: 66,599,339) Ordinary shares of £0.10 each	6,109,430	6,659,934
	6,109,430	6,659,934

Bracken Trading Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

16 Called up share capital (continued)

During the year the Group issued nil (2021: 1) ordinary shares of £0.10 each with an aggregate nominal value of £nil (2021: £0.10). Total consideration of £nil (2021: £1.50) was paid for the shares, giving rise to a premium of £nil (2021: £1.40). During the year the Group and Company also cancelled 5,505,039 (2021: 4,445,314) ordinary shares, with a nominal value of £550,504 (2021: £444,531) and associated share premium of £nil (2021: £nil), and distribution from reserves of £7,923,325 (2021: £6,189,245).

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

Group	Ordinary shares	Total
	£	£
At 1 January 2021	7,104,465	7,104,465
Issued during the year	-	-
Cancelled during the year	(444,531)	(444,531)
At 31 December 2021	6,659,934	6,659,934
Issued during the year	-	-
Cancelled during the year	(550,504)	(550,504)
At 31 December 2022	6,109,430	6,109,430

As part of the process of cancelling and extinguishing the Ordinary shares, an amount of £8,473,829 (2021: £6,633,777) was returned to the holders of those shares. The payment was constituted as follows:

	2022	2021
	£	£
Ordinary share capital cancelled	550,504	444,531
Distribution from profit and loss account	7,923,325	6,189,246
	8,473,829	6,633,777

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.

Cash flow 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 2022 (continued)

17 Minority interests

	Foreman Trading Limited	Spinney Services Limited	Total
	£	£	£
At 1 January 2021	1,522,106	317,116	1,839,222
Share of profit after tax	52,102	11,082	63,184
Increase in investment by Group	(229,521)	(144,283)	(373,804)
At 31 December 2021	1,344,687	183,915	1,528,602
Share of profit after tax	14,803	21,112	35,915
Increase in investment by Group	(384,898)	(33,233)	(418,131)
At 31 December 2022	974,592	171,794	1,146,386

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 2022 until they are satisfied in full. These liabilities total £52,588,895 (2021: £65,756,672), including intercompany loans of £51,734,237 (2021: £62,696,824). 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:

	2022	2021
	£	£
Not later than one year	99,993	87,893
Later than one year and not later than five years	399,972	351,572
Later than five years	1,248,187	1,185,530
	1,748,152	1,624,995

The Company has no operating lease commitments to disclose (2021: £nil). The Group has no other off-balance sheet arrangements (2021: £nil).

Bracken Trading Limited

Notes to the financial statements for the year ended 31 December 2022 (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 £5,000,000 (2021: £2,216,072) 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 £nil (2021: £14,143) 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. For the year ended 31 December 2022 a share of profit equal to £8,195,265 (2021: £4,608,926) has been recognised by the Group. At the year end, the Group has an interest in the member's capital of £70,645,894 (2021: £73,000,473) and accrued profit share of £7,084,849 (2021: £6,733,799).

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.