



Bracken Midco1 PLC
Annual Report and Financial Statements
For the period from 7 June 2016 to 30 June 2017

Bracken Midco1 PLC

Annual Report and financial statements for the period 7 June 2016 to 30 June 2017

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Officers and professional advisers

Directors

HN Moser (appointed on 7 June 2016)
GD Beckett (appointed on 7 June 2016)

Company secretary

GD Beckett (appointed on 7 June 2016)

Registered office

Lake View
Lakeside
Cheadle
Cheshire
SK8 3GW

Auditor

Deloitte LLP
Statutory Auditor
2 Hardman Street
Manchester
M3 3HF

Principal banker

The Royal Bank of Scotland PLC
135 Bishopsgate
London
EC2M 3UR

Strategic report

The directors present their annual report and the audited financial statements for the period from 7 June 2016 to 30 June 2017.

Business review

Business model and strategy

Bracken Midco1 PLC ('the Company') was incorporated on 7 June 2016, remaining dormant until 2 November 2016 when, as part of the Exit Transactions (described below) it became a wholly owned indirect subsidiary of Redhill Famco Limited. The principal activity of the Company is that of immediate parent holding company of Bracken Midco2 Limited, which is in turn the parent of Together Financial Services Limited (formerly Jerrold Holdings Limited). The Company is a wholly owned subsidiary of Bracken Topco Limited, which is an intermediate holding company.

During the period, the Company issued senior Payment In Kind ('PIK') Toggle notes ('the Notes'). The business model is to continue to service the PIK notes. The directors do not expect any significant change to the activities of the Company.

The Exit Transactions

During the period the majority shareholders of Together Financial Services Limited indirectly acquired the equity interest of the minority shareholders, (the Exit Transactions). The related transactions resulted in a series of holding companies being incorporated above Together Financial Services Limited and its subsidiaries ('the Together Group'), the ultimate parent being Redhill Famco Limited, which in turn forms the Redhill Group.

Results

As shown in the Company's statement of comprehensive income on page 10, the Company made a profit after tax of £0.8m.

The Company is an intermediate holding company within the Redhill Group. During the period, the Company received a dividend of £12.4m from its subsidiary, Bracken Midco2 Limited, from the proceeds of which it made interest payments to the Company's noteholders.

Financial position

As shown in the Company's statement of financial position on page 11, the Company has a net asset position of £367.9m at 30 June 2017.

Liquidity

To support the Exit Transactions, £220.0m of senior PIK toggle notes were issued by the Company. This facilitated the purchase of Together Financial Services Limited by the Company's subsidiary, Bracken Midco2 Limited. During the period the Company received a dividend of £12.4m from Bracken Midco2 and paid a coupon of £12.4m on the notes.

Macroeconomic conditions

The Company is impacted by general business and economic conditions in the United Kingdom.

The impending negotiations around Brexit have created a backdrop of uncertainty to the UK economy over the last year. Conditions on the whole have continued to improve, albeit more slowly, but the economic picture is mixed.

The UK economy has avoided the potential recession predicted by some following the EU referendum, with growth proving steady but low compared with the European average. Following the general election in June 2017 there is increasing discussion of an easing of the government's austerity programme, which may lead to increases in a number of economic measures. While bank base rate is predicted to remain at 0.25% in the short term, money markets currently indicate an increase is expected in 2018. As the UK government now embarks on the detailed Brexit negotiations it is possible there will be increased market volatility in response to developments. Overall we believe it is still not possible to foresee the implications of Brexit with any certainty until the negotiations are much nearer completion.

Whilst uncertain and adverse economic conditions may present challenges, such conditions may also present opportunities for the Together Group, and subsequently the Company and reduce competition.

Regulatory and legal considerations

The Company's operations are affected by a number of laws and regulations. The Company has to comply with the relevant UK and EU regulations including anti-money laundering regulations and the Data Protection Act 1998, the latter being replaced by the EU General Data Protection Regulation from May 2018.

Strategic report (continued)

Principal risks and uncertainties

Credit risk

Credit risk is the risk arising as result of default by counterparties due to failure to honour obligations when they fall due.

The Company's only material credit risk relates to its intercompany loans and the ability of its subsidiary, Bracken Midco2 Limited, to meet any contractual obligations. Such risk is mitigated as both the Company and its subsidiary are under common control.

Liquidity and funding risk

Liquidity risk is the risk that the Company is unable to meet its current and future financial obligations as they fall due, or can do so only at excessive cost.

Subject to certain conditions the Company has contractual obligations to pay an interest coupon on the Notes. The Company is reliant on receiving dividends from its subsidiary, Bracken Midco2 Limited, to fulfil its contractual obligations. Such risk is mitigated as both the Company and its subsidiaries are under common control.

Market risk

Market risk is the risk arising from adverse movements in market values, including movements in interest rates.

The Company does not carry out proprietary trading or hold positions in assets or equity which are actively traded, nor does it engage in any treasury trading operations. It also has no foreign currency exposure. Therefore the main market risk potentially faced by the Company is interest-rate risk, the risk of loss through mismatched asset and liability positions sensitive to changes in interest rates. Interest-rate risk is mitigated by matching fixed-rate assets with fixed-rate liabilities.

Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal process, people and systems or from external events.

The Company uses a system of internal controls to mitigate these risks, including policies and procedures to manage specific risks.

Approved on behalf of the Directors
and signed on behalf of the Board



GD Beckett
Chief Financial Officer
26 October 2017

Directors' report

The directors present their annual report and the audited financial statements for the period from 7 June 2016 to 30 June 2017.

Directors

The directors of the Company are set out on page 1.

Directors' indemnities

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the period and remain in force at the date of this report.

Environment

As the Company operates as a financial services holding company, its actions do not have a significant environmental impact. However, the Company does recognise the importance of the environment, and acts to minimise its impact on the environment wherever it can, including recycling and reducing energy consumption.

Statement of going concern

As set out in the statement of directors' responsibilities, the directors are required to prepare the financial statements on the going-concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors of the Company have considered the Company's forecast funding and liquidity positions in order to confirm that the preparation of the Company's financial statements on a going-concern basis is appropriate.

On this basis, the directors have a reasonable expectation that the Company will have sufficient liquidity to ensure that it will continue in operational existence for the foreseeable future. Accordingly the directors of the Company have adopted the going-concern basis in preparing financial statements.

Principal risks and uncertainties

A description of the principal risks and uncertainties facing the Company is contained in the strategic report.

Dividend

The directors do not recommend the payment of a dividend.

Audit information

In the case of each of the persons who are directors of the Company at the date when this report is approved:

- as far as each of the directors is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- each of the directors has taken all the steps that he ought to have taken as a director to make himself aware of any audit information and to establish that the Company's auditor is aware of that information.

This statement is given and should be interpreted in accordance with the provisions of S418(2) of the Companies Act 2006.

Auditor

Deloitte LLP has expressed its willingness to continue in office as auditor and a resolution to re-appoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



GD Beckett
Chief Financial Officer
26 October 2017

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "*Reduced Disclosure Framework*". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that year. In preparing these financial statements, the directors are required to:

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

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

Independent auditor's report

Independent auditor's report to the members of Bracken Midco1 PLC

Report on the audit of the financial statements

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2017 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 101 'Reduced Disclosure Framework'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Bracken Midco1 PLC (the 'company') which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity;
- the significant accounting policies; and
- the related notes 1 to 15.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

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 company 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 as applied to listed entities, 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.

Summary of our audit approach

Key audit matter	The key audit matter that we identified in the current year was the recognition of intercompany funding to subsidiaries.
Materiality	The materiality that we used in the current year was £2.48m which was determined on the basis of 3% of net assets.
Scoping	Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.

Conclusions relating to going concern

Independent auditor's report (continued)

We are required by ISAs (UK) to report in respect of the following matters where:

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

We have nothing to report in respect of these matters.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Recognition of intercompany funding to subsidiaries

Key audit matter description The Company issued two intercompany fixed term loans to a subsidiary during the year which were not interest bearing. £43m with a maturity date of November 2036 and £212m with a maturity date of 2022, see the strategic report for more details.

Under IAS39 *financial instruments: recognition and measurement*, loans are recognised initially at fair value and then subsequently measured at amortised cost. Fair value is established using the market price, which may be the transaction price for an arms-length transaction, or if this is not available then a valuation technique such as a discounted cashflow approach can be applied.

As the loans were not an open market transaction, the directors calculated a market rate for the loans, using external facilities as a starting point and adjusting for the specific features of the loans. The market rate was then imputed for the intercompany loans and the difference between the nominal and discounted amounts was recognised as a capital contribution within the subsidiary and as an investment in the holder's accounts. As such there is significant judgement in determining the market interest rate for intercompany loan arrangements.

How the scope of our audit responded to the key audit matter We evaluated the design and implementation of the key controls related to calculation of the discount factor.

We reviewed the accounting policy applied for compliance with accounting standards.

We assessed the underlying calculation of the fair value at inception and agreed inputs to third party information sources.

Key observations Based on the work performed we concluded that the market rates calculated for the intercompany loans are appropriate and that the loan balances are appropriately stated.

Independent auditor's report (continued)

Our application of materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Materiality	£2.48m
Basis for determining materiality	3% of net assets
Rationale for the benchmark applied	We determined materiality based on net assets as this is the key metric used by management, investors, analysts and lenders, with shareholder value being driven by total assets value movements.

We agreed with the directors that we would report to the directors all audit differences in excess of £0.12m, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the directors on disclosure matters that we identified when assessing the overall presentation of the financial statements.

An overview of the scope of our audit

Our audit was scoped by obtaining an understanding of the entity and its environment, including internal control, and assessing the risks of material misstatement. Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.

Other information

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

We have nothing to report in respect of these matters.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion 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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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.

Responsibilities of directors

As explained more fully in the statement of directors' responsibilities, 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 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 company or to cease operations, or have no realistic alternative but to do so.

Independent auditor's report (continued)

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.

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

Use of our report

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

Report on other legal and regulatory requirements

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

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

Matters on which we are required to report by exception

Adequacy of explanations received and accounting records

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

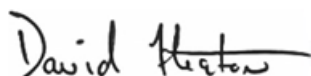
- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made.

We have nothing to report in respect of this matter.



David Heaton (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Manchester
26 October 2017

Statement of comprehensive income

For the period from 7 June 2016 to 30 June 2017

Unless otherwise indicated, all amounts are stated in £m

Income statement	Note	Period from 7 June 2016 to 30 June 2017
Interest receivable and similar income	4	10.9
Interest payable and similar charges	5	(22.0)
Net interest loss		(11.1)
Other income	6	12.4
Operating income		1.3
Administrative expenses	7	(0.5)
Profit before taxation		0.8
Income tax	8	-
Profit after taxation		0.8

The results for period relate entirely to continuing operations. There is no other comprehensive income in the period.

Statement of financial position

As at 30 June 2017

Unless otherwise indicated, all amounts are stated in £m

	Note	2017
Assets		
Cash and cash equivalents		1.8
Other assets	9	218.6
Investments	10	147.5
Total assets		367.9
Liabilities		
Borrowings	11	214.6
Other liabilities	12	70.9
Total liabilities		285.5
Equity		
Share capital	14	0.1
Share premium account		-
Non-distributable reserves		77.2
Retained earnings		5.1
Total equity		82.4
Total equity and liabilities		367.9

These financial statements were approved by the Board of Directors on 26 October 2017.

Company Registration No. 10219097

Signed on behalf of the Board of Directors



HN Moser
Director



GD Beckett
Director

Statement of changes in equity

Period from 7 June 2016 to 30 June 2017

Unless otherwise indicated, all amounts are stated in £m

Period ended 30 June 2017	Called-up share capital	Non- distributable reserves	Retained earnings	Total
At beginning of the period	-	-	-	-
Issuance of share capital	0.1	-	-	0.1
Capital contribution	-	81.5	-	81.5
Retained profit for the period	-	-	0.8	0.8
Transfer between reserves	-	(4.3)	4.3	-
At end of the period	0.1	77.2	5.1	82.4

Notes to the financial statements

1. Reporting entity and general information

Bracken Midco1 PLC is incorporated and domiciled in the UK. The registered address of the Company is Lake View, Lakeside, Cheadle, Cheshire, SK8 3GW. The Company is limited by shares.

2. Significant accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the current period.

Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standard 101, *Reduced Disclosure Framework* (FRS 101). This applies the recognition and measurement requirements of International Financial Reporting Standards (IFRS) but provides certain exemptions from the disclosure requirements of IFRS.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in the individual accounting policies.

The Company has taken advantage of the disclosure exemptions under FRS 101 in relation to presentation, including presentation of a cash flow statement, standards not yet effective and related party transactions.

Going concern

The directors have assessed, in the light of current and anticipated economic conditions, the Company's ability to continue as a going concern. The directors confirm they are satisfied that the Company has adequate resources to continue in business for the foreseeable future. For this reason, they continue to adopt the going-concern basis for preparing accounts.

Operating segments

The Company has listed PIK instruments in issue, and thus whilst in the scope of IFRS 8, *Operating Segments*, the Company only has one segment and accordingly does not disclose segment information in these financial statements.

Dividend income

Dividend income is recognised in the statement of comprehensive income when the Company's right to receive payment is established.

Taxation

Tax on the profit or loss for the period comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in other comprehensive income. Tax is calculated at rates which have been substantively enacted.

Current tax is the expected tax payable on the taxable profit for the period. Taxable profit differs from net profit as reported in the income statement because it excludes items of income and expense that are taxable or deductible in other periods and items that are never taxable or deductible.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of the assets and liabilities in the financial statements and the corresponding amounts used for taxation purposes, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable timing differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible timing differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and the Company intends to settle its current tax assets and liabilities on a net basis.

Notes to the financial statements (continued)

2. Significant accounting policies (continued)

Investments

Investments are stated at cost less provision for impairment.

Financial assets & liabilities

Financial assets

The majority of the Company's financial assets are amounts owed by the Company's subsidiary, Bracken Midco2 Limited that are held at amortised cost. All financial assets are initially recorded at fair value plus any directly attributable transaction costs and are subsequently measured at amortised cost using the effective interest rate method, less impairment losses. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset have expired or where substantially all the risks and rewards of ownership have been transferred.

Financial liabilities

The Company's financial liabilities are designated as financial liabilities held at amortised cost and largely consist of borrowings and amounts owed to Group undertakings. A financial liability is measured initially at a fair value less the transaction costs that are directly attributable to its issue. Interest and fees payable on the borrowings are recognised in the income statement over the term of the instruments using the effective interest rate method.

Financial liabilities are derecognised when their contractual obligations are discharged, cancelled or have expired.

3. Critical accounting estimates and judgements

The Company has to make judgements in applying its accounting policies which affect the amounts recognised in the accounts. In addition, estimates and assumptions are made that could affect the reported amounts of assets, liabilities, income and expenses. Due to the inherent uncertainty in making estimates, actual results reported in future periods may be based upon amounts which differ from those estimates. The most significant areas where judgements and estimates are made are:

Intercompany loans

As part of the Exit Transactions described in the strategic report, the Company has received interest-free loans from its parent and provided interest-free funds to its subsidiary. The loans represent financial instruments and should initially be recognised at their fair values. As the instruments are interest-free rather than at market rates, their fair values differ from their nominal amounts. Their fair values are estimated by discounting the related expected future cash flows. As market rates are not observable for these loans the discount rates have been derived by management by reference to other arm's length transactions with investors and making allowance for the tenor, seniority and payment terms of the loans. The details are as follow:

Intercompany receivables

The Company provided interest-free funds to its subsidiary consisting of £312.4m maturing in 2022 and £43.0m maturing in 2036. As a consequence of discounting the expected future cash flows at time of initial recognition, the 2022 loan was discounted by £112.2m and the 2036 loan by £35.3m. The discounts to the nominal amounts represent economic benefits contributed to the subsidiary, and so in the Company accounts the reductions in the loan amounts have been treated as increases in the investment in the subsidiary. The amortisation of the fair value adjustments to the loans are recognised in the income statement as interest income. The current carrying value of these instruments can be seen in Note 9.

Intercompany payables

The Company received interest-free funds from its parent, consisting of £100.0m, maturing in 2022, and £43.0m maturing in 2036. As a consequence of discounting the expected future cash flows, the 2022 loan has been discounted at the time of initial recognition by £43.0m and the 2036 loan by £38.5m. The discounts to the nominal amounts represent economic benefits contributed to the Company by its parent, and so in the Company accounts the reductions in the loan amounts have been treated as additional non-distributable capital contributions by the parent. The unwind of the fair-value discount is recognised in the income statement as an interest expense on the intercompany payable and transferred to the related non-distributable reserve. The current carrying value of these instruments can be seen in Note 12.

Notes to the financial statements (continued)

Unless otherwise indicated, all amounts are stated in £m

4. Interest receivable and similar income

	Period from 7 June 2016 to 30 June 2017
Amortisation of the fair value adjustments to amounts owed by subsidiary	10.9

5. Interest payable and similar charges

	Period from 7 June 2016 to 30 June 2017
On borrowings	17.7
Amortisation of fair value adjustments to borrowings	4.3
	22.0

6. Other income

	Period from 7 June 2016 to 30 June 2017
Dividend income from subsidiary	12.4

7. Administrative expenses

	Period from 7 June 2016 to 30 June 2017
Administrative costs	0.5

The audit fee which is borne by a subsidiary company, Blemain Finance Limited, in respect of the Company for the period is £1,500.

The company had no employees and paid no directors' emoluments during the period.

8. Income tax

There was no tax charge to the income statement for the period. The amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	Period from 7 June 2016 to 30 June 2017
Profit before tax for the period	0.8
Tax on profit at standard UK corporation tax rate of 19.75%	0.1
Effects of:	
Expenses not deductible for tax purposes	0.1
Income not taxable	(2.4)
Group relief	2.2
Tax charge for the period	-

Notes to the financial statements (continued)

Unless otherwise indicated, all amounts are stated in £m

9. Other assets

	2017
Amounts owed by subsidiary undertaking, Bracken Midco2 Limited	218.6

10. Investments

The Company held the following direct investment in subsidiary undertakings:

	2017
At beginning of period	-
Additions	147.5
At end of period	147.5

The fixed asset investment comprises ordinary shares in the following subsidiary undertaking:

	Country of registration	Interest in voting rights	Principal activity
Bracken Midco2 Limited	England and Wales	100%	Financial services holding company

Bracken Midco2 Limited is incorporated in Great Britain and operates throughout the United Kingdom. Its registered address is Lake View, Lakeside, Cheadle, Cheshire, SK8 3GW.

11. Borrowings

	2017
Senior secured notes	220.0
Debt issue costs	(5.4)
	214.6

12. Other liabilities

	2017
Accruals and deferred income	5.1
Amounts owed to parent company, Bracken Topco Limited	65.8
	70.9

Notes to the financial statements (continued)

Unless otherwise indicated, all amounts are stated in £m

13. Financial instruments and fair values

All the Company's financial assets and liabilities are held at amortised cost with the exception of the listed investments that are held at fair value. The carrying value is a reasonable approximation of fair value for all financial instruments other than for borrowings. For borrowings, fair value is calculated based upon the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

The following tables analyse the fair values of borrowings into different levels according to the degree to which the fair values are based on observable inputs:

Level 1: Quoted prices in active markets for identical assets or liabilities;

Level 2: Measurements derived from observable data, such as market prices or rates;

Level 3: Measurements rely on significant inputs not based on observable market data

	Level 1	Level 2	Level 3	Fair value	Carrying value
2017					
Financial assets					
Other assets	-	-	229.0	229.0	218.6
Financial liabilities					
Borrowings	-	235.2	-	235.2	214.6

14. Share capital

All amounts are stated in pounds.

Issued, allotted and fully paid	2017
5,500,000 ordinary shares of £0.01 each	55,000

15. Ultimate parent company

The Company is a subsidiary undertaking of Bracken Topco Limited, a company incorporated in Great Britain and registered in England and Wales.

The smallest and largest group of which the Company is a member, and for which group financial statements are drawn up, is that headed by Redhill Famco Limited. The registered office Redhill Famco Limited is Lake View, Lakeside, Cheadle, Cheshire, United Kingdom, SK8 3GW, from where consolidated financial statements can be obtained.