Bracken Midco2 Limited
Annual Report and Financial Statements
For the year ended 30 June 2018

Company Registration No. 10162775

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Officers and professional advisers

Directors

HN Moser
GD Beckett

Company secretary

GD Beckett

Registered office

Lake View
Lakeside
Cheadle
Cheshire
SK8 3GW

Auditor

Deloitte LLP
Statutory Auditor
2 Hardman Street
Manchester
M3 3HF

Principal banker

National Westminster Bank Plc
135 Bishopsgate
London
EC2M 3UR

Strategic report

The directors present their annual report and the audited financial statements for the year ended 30 June 2018.

Business review

Business model and strategy

The principal activity of the Company is that of immediate parent holding company of Together Financial Services Limited. During the period to 30 June 2017 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 together with its subsidiaries constitutes the 'Redhill Group'). The Company is a wholly owned subsidiary of Bracken Midco1 PLC, which is an intermediate holding company.

The directors do not expect any significant change to the activities of the Company.

Results and dividends

As shown in the Company's income statement on page 8, the Company made a profit after tax of £7.4m (2017: £2.9m).

Dividends of £22.9m were paid during the year (2017: £12.4m). On 21 September 2018, the Company received a dividend of £15m from its subsidiary Together Financial Services Limited, the proceeds of which will be used to make a dividend payment of £15m to its parent company Bracken Midco1 PLC.

As the Company is an intermediate holding company within the Redhill Group, its business model is to receive dividends from its subsidiary, Together Financial Services Limited, and make dividend payments to its parent, Bracken Midco1 PLC. The Company largely derives its distributable reserves, represented by retained earnings in the financial statements, from dividends received from its subsidiary over which it has control.

The Board reviews the level of the Company's distributable reserves bi-annually, to align with the proposed dividend payment dates, and aims to maintain distributable reserves that allow for the payment of dividends to its parent in conformity with company law.

The Company's ability to make dividend payments is therefore dependent on the distributable reserves, and hence the profitability, of Together Financial Services Limited. Based on their evaluation of the latter's performance and risks, the Directors have a reasonable expectation that the Company will be able to follow its dividend policy for the foreseeable future.

Financial position

As shown in the Company's statement of financial position on page 9, the Company has a net asset position of £495.6m at 30 June 2018 (2017: £511.1m).

Macroeconomic conditions

The Company by virtue of its ownership of Together Financial Services Limited is impacted by general business and economic conditions in the United Kingdom. During the twelve months to 30 June 2018 the UK's economic performance has continued to be mixed, influenced by the continued uncertainty surrounding the ongoing Brexit negotiations.

Following the raising of its base rate from 0.25% to 0.5% in November 2017, the Bank of England announced a further increase to 0.75% in August 2018. This was driven by expectations of continued inflationary pressures from falling unemployment (now standing at its lowest level since 1971) fueling gradual wage growth in the first quarter of 2018. However, UK GDP growth has remained weak as growth in productivity remains muted and the boost to spending from high levels of consumer credit has cooled. The consumer price index having peaked at 3.1% in November 2017, fell back to 2.3% in June 2018 as the impact of weaker sterling following the Brexit referendum reduced.

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

Strategic report (continued)

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.

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 material credit risk relates to its intercompany loans and the ability of its subsidiary, Together Financial Services 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.

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 processes, 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
Director
26 September 2018

Directors' report

The directors present their annual report and the audited financial statements for the year ended 30 June 2018.

Directors

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

Directors' indemnities

The Redhill Group has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year 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 and the Together Group'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.

Dividends

Dividend payments of £22.9m were made during the year (2017: £12.4m). On 21 September 2018 the Company received a dividend of £15m from its subsidiary Together Financial Services Limited, the proceeds of which will be used to pay a dividend of £15m to Bracken Midco1 PLC.

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

GD Beckett
Director
26 September 2018

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 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditor's report to the members of Bracken Midco2 Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Bracken Midco2 Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 30th June 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity;
- 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 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (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 Financial Reporting Council's (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

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.

Other information

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

We have nothing to report in respect of these matters.

Independent auditor's report (continued)

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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.

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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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 year 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

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

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.

David Heaton

David Heaton (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Manchester, United Kingdom
26 September 2018

Statement of comprehensive income

Year ended 30 June 2018

Unless otherwise indicated, all amounts are stated in £m

Income statement	**Note**	**Year ended 30 June 2018**	**Period from 4 May 2016 to 30 June 2017**
Interest receivable and similar income	4	1.9	1.3
Interest payable and similar charges	5	(17.4)	(10.9)
Net interest income		**(15.5)**	**(9.6)**
Other income	6	22.9	12.5
Operating income		**7.4**	**2.9**
Administrative expenses	7	-	-
Profit before taxation		**7.4**	**2.9**
Income tax	8	-	-
Profit after taxation attributable to equity shareholders of the company		**7.4**	**2.9**

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

Statement of financial position

As at 30 June 2018

Unless otherwise indicated, all amounts are stated in £m

	Note	2018	2017
Assets			
Cash and cash equivalents		0.1	0.2
Investments	9	706.5	706.5
Other assets	10	25.1	23.2
Total assets		**731.7**	**729.9**
Liabilities			
Borrowings	11	236.1	218.8
Total liabilities		**236.1**	**218.8**
Equity			
Share capital	12	-	-
Share premium account		373.1	373.1
Non-distributable reserve		119.2	136.6
Retained earnings		3.3	1.4
Total equity		**495.6**	**511.1**
Total equity and liabilities		**731.7**	**729.9**

These financial statements were approved and authorised for issue by the Board of Directors on 26 September 2018.

Company Registration No. 10162775

Signed on behalf of the Board of Directors

HN Moser
Director

GD Beckett
Director

Statement of changes in equity

Year ended 30 June 2018

Unless otherwise indicated, all amounts are stated in £m

2018	Called-up share capital	Share premium	Non-distributable reserve	Retained earnings	Total
At beginning of the year	-	373.1	136.6	1.4	511.1
Retained profit for the year	-	-	-	7.4	7.4
Transfer between reserves	-	-	(17.4)	17.4	-
Dividend	-	-	-	(22.9)	(22.9)
At end of the year	**-**	**373.1**	**119.2**	**3.3**	**495.6**

Period to 30 June 2017	Called-up share capital	Share premium	Non-distributable reserve	Retained earnings	Total
At beginning of period	-	-	-	-	-
Issuance of share capital	-	373.1	-	-	373.1
Capital contribution	-	-	147.5	-	147.5
Profit for the period	-	-	-	2.9	2.9
Transfer between reserves	-	-	(10.9)	10.9	-
Dividend	-	-	-	(12.4)	(12.4)
At end of the period	**-**	**373.1**	**136.6**	**1.4**	**511.1**

Notes to the financial statements

1. Reporting entity and general information

Bracken Midco2 Limited is incorporated in the United Kingdom under the Companies Act 2006 and registered in England and Wales. The registered address of the Company is Lake View, Lakeside, Cheadle, Cheshire, SK8 3GW. The Company is limited by shares. The principal activity of the Company is that of immediate parent holding company.

2. Significant accounting policies

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

Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standard 102. The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of presentation of a cash flow statements.

In accordance with s474 of the Companies Act 2016, the Company has not prepared consolidated financial statements. The Company's ultimate parent (as described in Note 14), Redhill Famco Limited prepares publically available consolidated financial statements.

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, and in Note 3.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the group operates.

These financial statements have been prepared on the historical cost basis, except for the revaluation of certain financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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.

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.

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. Tax is calculated at rates which have been substantively enacted.

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, Together Financial Services 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 the parent company Bracken Midco1 PLC. 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.

Impairment of financial assets

The Company regularly assesses whether there is evidence that financial assets are impaired. Financial assets are impaired and impairment losses incurred if, and only if, there is objective evidence of impairment as a result of one of more loss events that occurred after the initial recognition of the assets and prior to the reporting date and that have had an impact on the estimated future cash flows of the financial asset that can be reliably estimated.

All impairment losses are reviewed at least at each reporting date. If subsequently the amount of the loss decreases as a result of a new event, the relevant element of the outstanding impairment loss is reversed. Impairment losses and any subsequent reversals are recognised in the income statement.

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 and detailed in Note 13, the Company has received interest-free loans from its parent and provided interest-free loans 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 follows:

Intercompany receivables

In the period to 30 June 2017, the Company provided interest-free loans to its subsidiary consisting of £25.1m maturing in 2024 and £43.0m maturing in 2036. As a consequence of discounting the expected future cash flows at time of initial recognition, the 2024 loan was discounted by £11.2m and the 2036 loan by £35.0m. 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 loan are recognised in the income statement as interest income. The current carrying value of these instruments can be seen in Note 10.

Unless otherwise indicated, all amounts are stated in £m

3. Critical accounting estimates and judgements (continued)

Intercompany payables

In the period to 30 June 2017, the Company received interest-free loans from its parent, consisting of two loans totalling £312.4m, 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 £112.2m and the 2036 loan by £35.3m. 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 11.

4. Interest receivable and similar income

	Year ended 30 June 2018	Period from 4 May 2016 to 30 June 2017
Amortisation of the fair value adjustments to amounts owed by subsidiary	**1.9**	**1.3**

5. Interest payable and similar charges

	Year ended 30 June 2018	Period from 4 May 2016 to 30 June 2017
Amortisation of the fair value adjustments to borrowings	**17.4**	**10.9**

6. Other income

	Year ended 30 June 2018	Period from 4 May 2016 to 30 June 2017
Dividend income from subsidiary	**22.9**	**12.5**

7. Administrative expenses

The audit fee which is borne by a subsidiary company, Blemain Finance Limited, in respect of the Company for the year is £4,000 (2017: £1,500).

The company had no employees and paid no directors’ emoluments during the year.

Unless otherwise indicated, all amounts are stated in £m

8. Income tax

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

	Year ended 30 June 2018	**Period from 4 May 2016 to 30 June 2017**
Profit before tax for the year/period	7.4	2.9
Tax on profit at standard UK corporation tax rate of 19.00% (2017: 19.75%)	1.4	0.6
Effects of:		
Income not taxable	(4.3)	(2.5)
Group relief	2.9	1.9
Tax charge for the year/period	**-**	**-**

9. Investments

The Company held the following investments in subsidiary undertakings:

	2018	**2017**
At beginning of year	706.5	-
Additions	-	706.5
At end of year	**706.5**	**706.5**

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

	Country of registration	**Shares and voting rights**	**Principal activity**
Together Financial Services Limited	England and Wales	100%	Financiers

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

10. Other assets

	2018	**2017**
Amounts owed by subsidiary undertaking, Together Financial Services Limited	**25.1**	**23.2**

11. Borrowings

	2018	**2017**
Amounts owed to parent company, Bracken Midco1 PLC	**236.1**	**218.8**

Notes to the financial statements (continued)

12. Share capital

All amounts are stated in pounds

Authorised, issued, allotted and fully paid	2018	2017
1,000,000 ordinary shares of £0.01 each	**10,000**	**10,000**

13. Related party transactions

Relationships

The Company has the following related parties:

a) Controlling party

In the period to 30 June 2017 HN Moser, a director of the Company, and the DL Moser 1995 Family Settlement No1Trust (together the Moser Shareholders) indirectly acquired the equity interest in the Together Financial Services Limited of funds managed by Equistone Partners Europe and Standard Life Investments (the Exit Transactions). The Exit Transactions resulted in a series of holding companies being incorporated above the Company: all the voting shares of Together Financial Services Limited were acquired by the Company, whose ultimate parent is Redhill Famco Limited, which is wholly controlled by the Moser Shareholders. As a result, the Moser Shareholders indirectly own 100% of the Company's voting share capital.

b) Parent companies

In the period to 30 June 2017 the Company transacted with its immediate parent company indirectly owned by the Moser Shareholders:

Entity	Nature of transactions
Bracken Midco1 PLC	The Company received funding from Bracken Midco1 PLC in connection with the Exit Transactions for the purpose of purchasing the shares in Together Financial Services Limited, its subsidiary. This comprised interest-free intercompany loans totalling £312.4m, repayable in 2022, and interest-free subordinated funding of £43.0m, repayable in 2036.

c) Subsidiary

Entity	Nature of transactions
Together Financial Services Limited	The Company provides subordinated funding to Together Financial Services Limited. The subordinated loans are interest-free and for fixed terms, £43.0m of which is repayable in 2036, and £17.0m, repayable in 2024. An intercompany loan of £8.1m was provided on the same terms as the £17.0m loan above to fund payments under a management incentive scheme and to fund certain expenses relating to the Exit Transactions, payable by the subsidiary on behalf of Bracken Midco1 PLC.

Unless otherwise indicated, all amounts are stated in £m

13. Related party transactions (continued)

Transactions

The amounts receivable from and payable to related parties by the Company are disclosed in Notes 10 and 11 to the financial statements. The Company had the following transactions with related parties during the period:

	Year ended 30 June 2018		Period from 4 May 2016 to 30 June 2017	
	Charge/ (credit) to income or equity	**Paid/ (received)**	**Charge/ (credit) to income or equity**	**Paid/ (received)**
Interest expense	17.4	-	10.9	-
Receipt of funding	-	-	(147.5)	(355.4)
Dividend paid	22.9	22.9	12.4	12.4
Parent companies	**40.3**	**22.9**	**(124.2)**	**(343.0)**
Interest income	(1.9)	-	(1.3)	-
Dividend income	(22.9)	(22.9)	(12.5)	(12.5)
Net provision of funding	-	-	-	68.1
Subsidiary companies	**(24.8)**	**(22.9)**	**(13.8)**	**55.6**
Total related parties	**15.5**	**-**	**(138.0)**	**(287.4)**

14. Ultimate parent company

The Company is a subsidiary undertaking of Bracken Midco1 PLC, 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 principal place of business for Redhill Famco Limited is Lake View, Lakeside, Cheadle, Cheshire, United Kingdom, SK8 3GW, from where consolidated financial statements can be obtained.

15. Post-balance sheet events

On 13 September 2018, the Company's subsidiary, Together Financial Services Limited, completed the refinancing of its revolving funding facility via the special purpose vehicle Charles Street Asset Backed Securitisation ('CABS'). The facility has been increased from £1bn to £1.25bn extending the facility's maturity date to September 2023. The loan notes issued by CABS are secured on financial assets from a number of subsidiaries within the Together Group. The proceeds will be used to support the Together Group's growth strategy.

On 18 September 2018, the Company's immediate parent company, Bracken Midco1 PLC, completed the pricing of its £350m Senior PIK Toggle notes due 2023, with the expectation that the issuance will close on 28 September 2018. The proceeds will principally be used to refinance the existing £220m Senior PIK Toggle notes due 2021 issued by Bracken Midco1 PLC, and repay £100m of intercompany payables owed to its parent company Bracken Topco Limited, to enable that company to repay the £100m loan notes issued to support the Exit Transactions. Following the payment of a dividend of £15m by the Company to Bracken Midco1 PLC, that company intends to pay a dividend of £18m to its parent company Bracken Topco Limited, to enable it to pay the accrued interest due on the loan notes issued to support the Exit Transactions, and make a distribution to its parent company Redhill Famco Limited.