

Registration number: 03702428

Home Technology Finance Limited

Annual Report and Financial Statements
for the Year Ended 31 December 2017



Home Technology Finance Limited

Company Information

Directors	L Tuck J D Weight I G Garden
Registered office	Lakeview House Fraser Road Priory Business Park Bedford MK44 3WH
Auditors	Ernst & Young LLP 400 Capability Green Luton Bedfordshire LU1 3LU

Home Technology Finance Limited

Strategic Report for the Year Ended 31 December 2017

The Directors present their strategic report for the year ended 31 December 2017.

Principal activity

The principal activity of the Company is the rental of television sets, washing machines and other allied products.

Fair review of the business

The business continues to operate in a contracting market and consequently annualised turnover has reduced in line with expectations. The Company has been successful in focusing on lowering operating costs to reflect reducing activity levels, whilst also ensuring the quality of service to customers is maintained.

Despite the on-going decline in trading activity the business continues to generate significant levels of surplus cash each month, which has been used to make dividend payments of £15,369,000 during the year to BC Holdings (UK) Limited.

In September 2016, a group restructuring exercise took place to streamline the operations of the Group, which is expected to result in two fellow group undertakings, Home Technology Receivables (No. 1) Limited and Boxclever Limited, being liquidated in 2018. As a result of the restructuring, the Company received forgiveness of inter-company liabilities amounting to £360,996,000 which have been shown as forgiveness of inter-company payables in the prior year Profit and Loss Account.

The movement in the net assets reflects the profits generated during the year, net of the payment of the dividend of £15,369,000.

The Company's key financial and other performance indicators during the year were as follows:

	Unit	2017	2016
Turnover	£000	19,558	22,350
Operating profit	£000	10,517	11,699
Net assets	£000	6,055	11,139

Principal risks and uncertainties

The Company is a wholly owned subsidiary of BC Holdings (UK) Limited ("BCH"). The BCH group contains two major trading subsidiaries, BC Services (UK) Limited ("BCS"), and the Company.

BCS provides support services to the Company which has no employees. These services include: Corporate administration, cash collection, debt management, contract origination, equipment management (repairs, maintenance, refurbishment, installation, removal, warehousing) and the supply of new products. The Company owns a significant proportion of the assets of the BCH group and holds the rental agreements with domestic customers.

Although the market continues to contract, the rate of decline has remained broadly consistent in recent years and is forecast to do so in the future. The Directors regularly review Profit and Loss and Cash flow forecasts which demonstrate the Company's ability to continue trading for the foreseeable future.

Approved by the Board on 11/6/18 and signed on its behalf by:



L Tuck
Director

Home Technology Finance Limited

Directors' Report for the Year Ended 31 December 2017

The Directors present their report and the financial statements for the year ended 31 December 2017.

Future developments

The Directors will continue their focus on the quality of service provided to customers. Procedures and processes are in place which monitor the level of service to customers and provide the basis on which the Directors can take appropriate action to maintain services and make improvements where necessary.

Consumer Credit related regulated activities

The main activity of the company is the provision of products and services to customers under hire agreements which is regulated by the Financial Conduct Authority (FCA).

Dividends

The Directors do not recommend the payment of a final dividend (2016 - £nil).

Directors of the Company

The Directors who held office during the year were as follows:

D M B Jolly (resigned 2 May 2018)

L Tuck

J D Weight

The following Director was appointed after the year end:

I G Garden (appointed 2 May 2018)

Going concern

After reviewing the Company's forecasts and projections, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing the financial statements.

Disclosure of information to the auditors

Each Director has taken 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 Company's auditors are aware of that information. The Directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

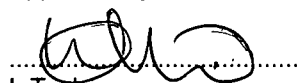
Disclosure requirements

In accordance with the Companies Act 2006, section 414C(11), the Company's Strategic Report contains certain disclosures required in the Directors' Report.

Reappointment of auditors

The auditors Ernst & Young LLP are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Approved by the Board on 11/6/18 and signed on its behalf by:



L Tuck
Director

Home Technology Finance Limited

Statement of Directors' Responsibilities

The Directors acknowledge their responsibilities for preparing the Strategic Report, Directors' 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). 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditor's Report to the Members of Home Technology Finance Limited

Opinion

We have audited the financial statements of Home Technology Finance Limited for the year ended 31 December 2017, which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity, and the related notes 1 to 17, 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 Financial Reporting Standard 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 Company's affairs as at 31 December 2017 and of its 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 below. 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, 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 have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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.

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.

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 this regard.

Independent Auditor's Report to the Members of Home Technology Finance Limited (continued)

Opinion on other matter 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 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 Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

We have nothing to report in respect of the following matters where 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 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 Statement of Directors' Responsibilities (set out on page 4), 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

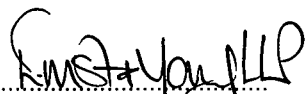
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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 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.

Independent Auditor's Report to the Members of Home Technology
Finance Limited (continued)



Juliet Thomas (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP, Statutory Auditor
Luton

Date: 12/6/18

Home Technology Finance Limited

Profit and Loss Account for the Year Ended 31 December 2017

	Note	2017 £ 000	2016 £ 000
Turnover	3	19,558	22,350
Cost of sales		<u>(1,983)</u>	<u>(2,419)</u>
Gross profit		<u>17,575</u>	<u>19,931</u>
Administrative expenses including exceptional items			
Administrative expenses		(7,058)	(8,232)
Forgiveness of inter-company payables		<u>-</u>	<u>360,996</u>
Administrative expenses		<u>(7,058)</u>	<u>352,764</u>
Operating profit	4	10,517	372,695
Interest payable and similar expenses	8	<u>-</u>	<u>(6,059)</u>
Profit before tax		10,517	366,636
Taxation	9	<u>(232)</u>	<u>97</u>
Profit for the financial year		<u><u>10,285</u></u>	<u><u>366,733</u></u>

The above results were derived from continuing operations.

The Company has no recognised gains or losses for the year other than the results above.

The notes on pages 11 to 21 form an integral part of these financial statements.


Home Technology Finance Limited

(Registration number: 03702428)

Balance Sheet as at 31 December 2017

	Note	2017 £ 000	2016 £ 000
Fixed assets			
Tangible assets	10	4,535	5,509
Current assets			
Debtors	11	2,231	6,290
Cash at bank and in hand		193	401
		2,424	6,691
Creditors: Amounts falling due within one year	12	(904)	(1,061)
Net current assets		1,520	5,630
Net assets		6,055	11,139
Capital and reserves			
Called up share capital	13	50	50
Profit and loss account	15	6,005	11,089
Total equity		6,055	11,139

The financial statements were approved and authorised by the Board on 11/6/17..... and signed on its behalf by:


L Tuck
Director

The notes on pages 11 to 21 form an integral part of these financial statements.

Home Technology Finance Limited

Statement of Changes in Equity for the Year Ended 31 December 2017

	Share capital £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2017	50	11,089	11,139
Profit for the year	-	10,285	10,285
Dividends	-	(15,369)	(15,369)
At 31 December 2017	<u>50</u>	<u>6,005</u>	<u>6,055</u>

	Share capital £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2016	13,000	(368,594)	(355,594)
Profit for the year	-	366,733	366,733
Share capital reduction	(12,950)	12,950	-
At 31 December 2016	<u>50</u>	<u>11,089</u>	<u>11,139</u>

The notes on pages 11 to 21 form an integral part of these financial statements.

Home Technology Finance Limited

Notes to the Financial Statements for the Year Ended 31 December 2017

1 General information

The Company is a private company limited by share capital and is incorporated and domiciled in England and Wales.

The address of its registered office is:

Lakeview House
Fraser Road
Priory Business Park
Bedford
MK44 3WH

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

These financial statements were prepared in accordance with applicable United Kingdom Accounting Standards, including FRS 102, and with the Companies Act 2006. These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The financial statements are presented in pound sterling and rounded to thousands. The Company's functional and presentation currency is the pound sterling.

Critical accounting judgements and estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

Home Technology Finance Limited

Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

2 Accounting policies (continued)

Deferred tax assets

The Company has recognised a significant deferred tax asset within its financial statements which requires judgement for determining the extent of its recoverability at the balance sheet date. The Company assess recoverability based on the forecast of future profitability and capital expenditure. Given the inherent uncertainty involved in such forecasts the Company only recognises as a deferred tax asset the amount to which capital allowances are forecast to be in excess of depreciation in the year immediately following the current reporting period.

Summary of disclosure exemptions

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 the exemptions by the Company's shareholders.

The Company has taken advantage of the following exemptions:

- from preparing a statement of cash flows and the related notes on the basis that it is a qualifying entity and its parent company, BC Holdings (UK) Limited, includes the Company's cash flows in its own consolidated financial statements;
- from disclosing the Company key management personnel compensation;
- from disclosing transactions with other wholly owned entities for the period that they form part of the same group; and
- from the financial instrument disclosures, required under FRS 102 paragraphs 11.39 to 11.48A and paragraphs 12.26 to 12.29, including:
 - (a) categories of financial instruments;
 - (b) items of income, expenses, gains or losses relating to financial instruments; and
 - (c) exposure to management of financial risks.

Name of parent of group

These financial statements are consolidated in the financial statements of BC Holdings (UK) Limited.

The financial statements of BC Holdings (UK) Limited may be obtained from Lakeview House, Fraser Road, Priory Business Park, Bedford, MK44 3WH.

Going concern

After reviewing the Company's forecasts and projections, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing the financial statements.

Home Technology Finance Limited

Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

2 Accounting policies (continued)

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the Company's activities. Turnover is shown net of value added tax, returns, rebates and discounts.

The Company recognises revenue when (a) the significant risks and rewards of ownership have been transferred to the buyer; (b) the Company retains no continuing involvement or control over the goods; (c) the amount of revenue can be reliably measured; (d) it is probable that future economic benefits will flow to the entity; and (e) specific criteria have been met for each of the Company's activities. described below:

Rental income

Rental income receivable is brought into the financial statements on a monthly basis as it falls due, annual contracts being treated as having twelve monthly instalments (exclusive of value added tax).

Disposal of ex-rental assets

Revenue from the disposal of ex-rental televisions, videos and associated services to existing customers is included in turnover on the effective termination date of the relevant rental agreement, which is normally 30 days from the date of the agreed sale and on the satisfactory receipt of the sale proceeds.

Tax

The tax expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates taxable income.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the Company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit

Tangible assets

Tangible assets are stated at cost (or deemed cost) less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use.

Home Technology Finance Limited

Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

2 Accounting policies (continued)

Depreciation

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Fixtures, fittings, tools and equipment	On a straight line basis over 3 to 7 years
Rental assets	On a straight line basis over 3 to 9 years

The depreciation rates for the rental assets are based on the following expected useful lives:

Television sets	5 to 6 years
DVD and Video recorder equipment	5 to 9 years
White goods	6 to 7 years
Other	3 years

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

Impairment of assets

At each reporting date tangible assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carry amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for rental income or rental assets sold.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

Home Technology Finance Limited

Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

2 Accounting policies (continued)

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the Company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Income over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Related party transactions

The Company discloses transactions with related parties which are not wholly owned within the same group. It does not disclose transactions with members of the same group that are wholly owned.

3 Revenue

The analysis of the Company's revenue for the year from continuing operations is as follows:

	2017 £ 000	2016 £ 000
Sale of goods	223	285
Leasing of equipment	19,335	22,065
	<u>19,558</u>	<u>22,350</u>

The analysis of the Company's turnover for the year by market is as follows:

Home Technology Finance Limited

Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

3 Revenue (continued)

	2017 £ 000	2016 £ 000
UK	<u>19,558</u>	<u>22,350</u>

4 Operating profit

Arrived at after charging:

	2017 £ 000	2016 £ 000
Depreciation expense	1,686	1,975
Loss on disposal of property, plant and equipment	91	148
Forgiveness of inter-company liabilities	<u>-</u>	<u>(360,996)</u>

In September 2016, a Group restructuring exercise took place to streamline the operations of the Group. As a result of the restructuring the Company received forgiveness for inter-company liabilities of £360,996,000. The amount is not expected to be chargeable for tax purposes.

5 Auditors' remuneration

For the current and prior period the audit fee and the cost of tax compliance of the Company was borne by another Group company.

6 Staff costs

The Company had no employees during the year (2016 - nil).

7 Directors' remuneration

The Directors were remunerated by BC Services (UK) Limited. The following disclosures relate to the total amounts paid to the Directors of the Company for their services to this company and other subsidiaries of the Group. The Directors do not believe that it is practicable to apportion this amount between their services as Directors of the Company and their services as Directors of other fellow subsidiaries.

The Directors' remuneration for the year was as follows:

	2017 £ 000	2016 £ 000
Remuneration	332	594
Deferred remuneration under long term incentive schemes	92	-
Contributions paid to money purchase schemes	-	6
Compensation for loss of office	<u>-</u>	<u>112</u>
	<u>424</u>	<u>712</u>

Home Technology Finance Limited

Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

7 Directors' remuneration (continued)

During the year the number of Directors who were receiving benefits and share incentives was as follows:

	2017 No.	2016 No.
Accruing benefits under money purchase pension scheme	<u>-</u>	<u>2</u>

In respect of the highest paid Director:

	2017 £ 000	2016 £ 000
Remuneration	332	427
Deferred remuneration under long-term incentive schemes (excluding shares)	92	-
Company contributions to money purchase pension schemes	<u>-</u>	<u>4</u>

8 Interest payable and similar expenses

	2017 £ 000	2016 £ 000
Interest paid to Group undertakings	<u>-</u>	<u>6,059</u>

9 Taxation

Tax charged/(credited) in the income statement

	2017 £ 000	2016 £ 000
Deferred taxation		
Arising from origination and reversal of timing differences	<u>232</u>	<u>(97)</u>

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2016 - lower than the standard rate of corporation tax in the UK) of 19.25% (2016 - 20%).

The differences are reconciled below:

Home Technology Finance Limited

Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

9 Taxation (continued)

	2017 £ 000	2016 £ 000
Profit before tax	10,517	366,636
Corporation tax at standard rate	2,025	73,327
Forgiveness of inter-company liabilities not taxable	-	(72,199)
Effect of expense not deductible in determining taxable profit	-	48
Deferred tax credit from unrecognised tax loss	(1,716)	(1,273)
Tax decrease from other short-term timing differences	(77)	-
Total tax charge/(credit)	232	(97)

The tax rate for the current period is lower than the prior period due to changes in the UK Corporation tax rate which has decreased from 20% to 19% from 1 April 2017.

Deferred tax

Deferred tax assets and liabilities

	Asset £ 000
2017	
Accelerated capital allowances	1,716
2016	
Accelerated capital allowances	1,948

There are £Nil of unused tax losses (2016 - £Nil) and £6,726,000 of unused tax credits (2016 - £9,130,000) for which no deferred tax asset is recognised in the Balance Sheet.

The Company has identified an unrecognised deferred tax asset at the year-end relating to accelerated capital allowances. It is considered that the availability of sufficient taxable profits in the future against which the underlying timing differences can be deducted cannot be seen with reasonable certainty. Therefore, this element of the deferred tax asset has not been recognised. An appropriate asset will be recognised when the Company can demonstrate a reasonable expectation of sufficient profits to utilise the timing differences. The net reversal of deferred tax assets expected to occur during the next year as the forecast profitability and the size of the capital allowance pool brought forward are such that capital allowance to be claimed are forecast to be in excess of depreciation.

The amount of the net reversal of deferred tax assets and deferred tax liabilities expected to occur during the year beginning after the reporting period is £458,000 (2016 - £327,000).

Home Technology Finance Limited

Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

9 Taxation (continued)

Further reductions to the UK Corporation tax rates were announced as part of the Finance Bill 2015 and 2016. These reduce the main rate to 19% from 1 April 2017 and to 17% from 1 April 2020. These rate reductions have been reflected in the calculation of deferred tax at the balance sheet date.

10 Tangible assets

	Fixtures, fittings, tools and equipment £ 000	Rental assets £ 000	Total £ 000
Cost or valuation			
At 1 January 2017	1,176	18,877	20,053
Additions	-	1,036	1,036
Transfers from other Group companies	-	62	62
Disposals	-	(4,311)	(4,311)
Transfers to other Group companies	-	(42)	(42)
At 31 December 2017	1,176	15,622	16,798
Depreciation			
At 1 January 2017	1,176	13,368	14,544
Charge for the year	-	1,686	1,686
Transfers from other Group companies	-	60	60
Eliminated on disposal	-	(3,997)	(3,997)
Transfers to other Group companies	-	(30)	(30)
At 31 December 2017	1,176	11,087	12,263
Carrying amount			
At 31 December 2017	-	4,535	4,535
At 31 December 2016	-	5,509	5,509

Home Technology Finance Limited

Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

11 Debtors

	Note	2017 £ 000	2016 £ 000
Trade debtors		147	162
Amounts due from Group undertakings		363	4,180
Prepayments		5	-
Deferred tax assets	9	1,716	1,948
		<u>2,231</u>	<u>6,290</u>

Amounts due from Group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

Trade debtors are stated after provisions for impairment of £46,000 (2016 - £46,000).

12 Creditors

	2017 £ 000	2016 £ 000
Due within one year		
Social security and other taxes	164	135
Rentals in advance	710	869
Other payables	16	16
Accruals	14	41
	<u>904</u>	<u>1,061</u>

13 Share capital

Allotted, called up and fully paid shares

	2017		2016	
	No. 000	£ 000	No. 000	£ 000
Ordinary Shares of £1 each	<u>50</u>	<u>50</u>	<u>50</u>	<u>50</u>

Rights, preferences and restrictions

There are no restrictions on the distribution of dividends and the repayment of capital.

Home Technology Finance Limited

Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

14 Dividends

Interim dividends paid

	2017 £ 000	2016 £ 000
Interim dividend of £307.38 (2016 - £Nil) per each Ordinary Shares share	<u>15,369</u>	<u>-</u>

Subsequent to the year end, the Company has paid dividends of £4,637,012.

15 Reserves

Called up share capital

Called-up share capital represents the nominal value of shares that have been issued.

Retained earnings

The retained earnings reserve includes all current and prior period retained profits and losses.

16 Related party transactions

The Company is exempt from disclosing related party transactions that are with other companies that are wholly owned within the Group.

17 Parent and ultimate parent undertaking

The Company's immediate parent is BC Holdings (UK) Limited, incorporated in England and Wales. The ultimate parent is BXC UK Limited, incorporated in England and Wales.

The most senior parent entity producing publicly available financial statements is BXC UK Limited. These financial statements are available upon request from The Company Secretary, BXC UK Limited, Langham Hall UK Services LLP, 5 Old Bailey, London, EC4M 7BA

The ultimate controlling party is Goldman Sachs Group Inc. and James Weight through their shareholdings in the Group.

The parent of the smallest group in which these financial statements are consolidated is BC Holdings (UK) Limited, incorporated in England and Wales. The address of BC Holdings (UK) Limited is Lakeview House, Fraser Road, Priory Business Park, Bedford, MK44 3WH.