

**Company Registration No. 04738788 (England and Wales)**

**BMS FINANCE LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2014**

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# BMS FINANCE LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	E P Stradling M K Badale S R Stradling
<b>Company number</b>	04738788
<b>Registered office</b>	5th Floor One Hammersmith Broadway London United Kingdom W6 9DL
<b>Registered auditors</b>	Citroen Wells Devonshire House 1 Devonshire Street London W1W 5DR
<b>Bankers</b>	The Royal Bank of Scotland 28 Cavendish Square London W1G 0DB

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# **BMS FINANCE LIMITED**

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# **BMS FINANCE LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 MARCH 2014**

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The directors present their report and consolidated financial statements for the year ended 31 March 2014.

#### **Results and dividends**

The consolidated profit and loss account for the year is set out on page 5.

#### **Directors**

The following directors have held office since 1 April 2013:

E P Stradling	
M K Badale	
D J S Burnett	(Resigned 13 May 2013)
Mr. M J Ling	(Resigned 30 May 2013)
D J Procter	(Resigned 13 May 2013)
S R Stradling	

#### **Auditors**

The auditors, Citroen Wells, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

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

The directors are responsible for preparing the Directors' 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). 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 group and of the profit or loss of the group for that period. 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# **BMS FINANCE LIMITED**

## **DIRECTORS' REPORT (CONTINUED)**

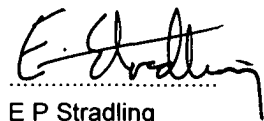
**FOR THE YEAR ENDED 31 MARCH 2014**

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### **Statement of disclosure to auditors**

So far as the directors are aware, there is no relevant audit information of which the group's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the group's auditors are aware of that information.

On behalf of the board



E P Stradling

Director

24/9/14

# **BMS FINANCE LIMITED**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF BMS FINANCE LIMITED**

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We have audited the group and parent company financial statements (the "financial statements") of BMS Finance Limited for the year ended 31 March 2014 set out on pages 5 to 18. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 auditors' 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.

#### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent company's affairs as at 31 March 2014 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion 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.

# **BMS FINANCE LIMITED**

## **INDEPENDENT AUDITORS' REPORT (CONTINUED)**

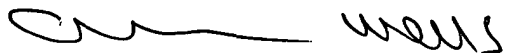
### **TO THE MEMBERS OF BMS FINANCE LIMITED**

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#### **Matters on which we are required to report by exception**

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



**Mark Bailey FCA CTA (Senior Statutory Auditor)**  
for and on behalf of Citroen Wells

24.10.14

**Chartered Accountants**  
**Statutory Auditor**

Devonshire House  
1 Devonshire Street  
London  
W1W 5DR

# BMS FINANCE LIMITED

## CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2014

	Notes	2014 £	2013 £
<b>Turnover</b>			
Continuing operations	166,130	690,871	
Discontinued activities	8,202	-	
	<b>2</b>	<b>174,332</b>	<b>690,871</b>
Reversal of provision for doubtful debts		137,848	-
Administrative expenses		(98,024)	(659,866)
<b>Operating profit</b>	<b>3</b>		
Continuing operations	211,454	31,005	
Discontinued activities	2,702	-	
		<b>214,156</b>	<b>31,005</b>
Loss on disposal of subsidiary		(4,999)	-
<b>Profit on ordinary activities before interest</b>		<b>209,157</b>	<b>31,005</b>
Other interest receivable and similar income		120	928
Interest payable and similar charges	<b>4</b>	(5,850)	(5,850)
Other income from sale of investments		170,229	-
<b>Profit on ordinary activities before taxation</b>		<b>373,656</b>	<b>26,083</b>
Tax on profit on ordinary activities	<b>5</b>	(43,465)	-
<b>Profit on ordinary activities after taxation</b>		<b>330,191</b>	<b>26,083</b>

There are no recognised gains and losses other than those passing through the profit and loss account.



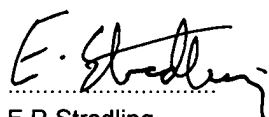
# BMS FINANCE LIMITED

## BALANCE SHEETS

AS AT 31 MARCH 2014

	Notes	Group 2014 £	2013 £	Company 2014 £	2013 £
<b>Fixed assets</b>					
Intangible assets	7	-	4,833	-	-
Tangible assets	8	-	1,160	-	1,160
Investments	9	353,193	-	450,521	582,492
		<u>353,193</u>	<u>5,993</u>	<u>450,521</u>	<u>583,652</u>
<b>Current assets</b>					
Debtors	10	1,815,429	1,734,414	1,722,199	1,699,968
Cash at bank and in hand		18,676	251,474	12,178	19,968
		<u>1,834,105</u>	<u>1,985,888</u>	<u>1,734,377</u>	<u>1,719,936</u>
<b>Creditors: amounts falling due within one year</b>	11	(156,074)	(290,848)	(153,674)	(602,115)
<b>Net current assets</b>		<u>1,678,031</u>	<u>1,695,040</u>	<u>1,580,703</u>	<u>1,117,821</u>
<b>Total assets less current liabilities</b>		<u>2,031,224</u>	<u>1,701,033</u>	<u>2,031,224</u>	<u>1,701,473</u>
<b>Capital and reserves</b>					
Called up share capital	12	5	5	5	5
Share premium account	13	558,800	558,800	558,800	558,800
Profit and loss account	13	1,472,419	1,142,228	1,472,419	1,142,668
<b>Shareholders' funds</b>	14	<u>2,031,224</u>	<u>1,701,033</u>	<u>2,031,224</u>	<u>1,701,473</u>

Approved by the Board and authorised for issue on ...24/9/14...



E P Stradling  
Director

Company Registration No. 04738788

# BMS FINANCE LIMITED

## CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2014

	£	2014 £	£	2013 £
<b>Net cash (outflow)/inflow from operating activities</b>		(35,727)		118,644
<b>Returns on investments and servicing of finance</b>				
Interest received	120		928	
Interest paid	(5,850)		(5,850)	
<b>Net cash outflow for returns on investments and servicing of finance</b>		(5,730)		(4,922)
<b>Capital expenditure and financial investment</b>				
Receipt from sale of investments	212,786		-	
Payments to acquire investments	(395,750)		25,923	
Receipts from sales of tangible assets	-		899	
<b>Net cash (outflow)/inflow for capital expenditure</b>		(182,964)		26,822
<b>Acquisitions and disposals</b>				
Sale of subsidiary undertakings (net of cash disposed)	(8,377)		-	
<b>Net cash outflow for acquisitions and disposals</b>		(8,377)		-
<b>Net cash (outflow)/inflow before management of liquid resources and financing</b>		(232,798)		140,544
<b>Financing</b>				
Issue of ordinary share capital	-		16,700	
Purchase of own shares	-		(92,500)	
Issue and purchase of shares	-		(75,800)	
<b>Decrease in debt</b>	-		-	
<b>Net cash outflow from financing</b>		-		(75,800)
<b>(Decrease)/increase in cash in the year</b>		(232,798)		64,744

# BMS FINANCE LIMITED

## NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

### FOR THE YEAR ENDED 31 MARCH 2014

1	Reconciliation of operating profit to net cash (outflow)/inflow from operating activities	2014		2013	
		£		£	
	Operating profit	214,156		31,005	
	Depreciation of tangible assets	1,160		9,096	
	Amortisation of intangible assets	4,833		440	
	Loss on disposal of tangible assets	-		1,720	
	(Increase)/decrease in debtors	(83,789)		12,657	
	(Decrease)/Increase in creditors within one year	(172,087)		184,922	
	<b>Net cash (outflow)/inflow from operating activities</b>	<b>(35,727)</b>		<b>239,840</b>	
2	Analysis of net funds	1 April 2013	Cash flow	Other non-cash changes	31 March 2014
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	251,474	(232,798)	-	18,676
	Net funds	251,474	(232,798)	-	18,676
3	Reconciliation of net cash flow to movement in net funds	2014		2013	
		£		£	
	(Decrease)/increase in cash in the year	(232,798)		64,744	
	Cash (inflow)/outflow from (increase)/decrease in debt	-		90,000	
	<b>Movement in net funds in the year</b>	<b>(232,798)</b>		<b>154,744</b>	
	Opening net funds	251,474		96,730	
	<b>Closing net funds</b>	<b>18,676</b>		<b>251,474</b>	

# **BMS FINANCE LIMITED**

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2014**

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### **1 Accounting policies**

#### **1.1 Accounting convention**

The financial statements have been prepared on the going concern basis, in accordance with applicable UK Accounting Standards under the historical cost convention, and in accordance with the Companies Act 2006.

The directors have prepared financial forecasts which show continued cash flows. Based on these forecasts directors are satisfied that the company will meet its liabilities and continue in operational existence for the foreseeable future. They therefore continue to adopt the going concern basis of accounting in preparing these financial statements.

#### **1.2 Compliance with accounting standards**

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently.

#### **1.3 Basis of consolidation**

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertakings made up to 31 March 2014. The results of subsidiaries sold or acquired are included in the profit and loss account up to, or from the date control passes. Intra-group sales and profits are eliminated fully on consolidation.

#### **1.4 Turnover**

Turnover represents amounts receivable for arrangement of debt finance and asset management services, provided net of VAT, which are accrued over the period for which the service is provided. The group is entitled to earn a performance fee where the performance of the clients' assets exceeds defined benchmarks by an agreed level of outperformance. Performance fees are recognised when the fee is payable.

#### **1.5 Goodwill**

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of 5 years.

#### **1.6 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Computer equipment	2 to 3 years straight line basis
Fixtures, fittings & equipment	2 to 5 years straight line basis

#### **1.7 Leasing**

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

#### **1.8 Investments**

Fixed asset investments comprise fixed asset investments and long-term loans to subsidiaries, stated at cost less provision for diminution in value.

# BMS FINANCE LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2014

### 1 Accounting policies

(continued)

#### 1.9 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

#### 1.10 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

### 2 Turnover

The total turnover of the group for the year has been derived from its principal activity wholly undertaken in the United Kingdom and the Channel Islands.

### 3 Operating profit

	2014 £	2013 £
Operating profit is stated after charging:		
Amortisation of intangible assets	4,833	440
Depreciation of tangible assets	1,160	9,096
Loss on disposal of tangible assets	-	1,720
Operating lease rentals	-	44,189
Fees payable to the group's auditor for the audit of the group's annual accounts (company £8,500; 2013: £10,800)	12,650	15,850

### 4 Interest payable and similar charges

	2014 £	2013 £
Other interest	5,850	5,850

# BMS FINANCE LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2014

<b>5</b>	<b>Taxation</b>	<b>2014</b>	<b>2013</b>
		<b>£</b>	<b>£</b>
	<b>Domestic current year tax</b>		
	U.K. corporation tax	43,465	-
		<u>43,465</u>	<u>-</u>
	<b>Total current tax</b>	<u>43,465</u>	<u>-</u>
	<b>Factors affecting the tax charge for the year</b>		
	Profit on ordinary activities before taxation	373,656	26,083
		<u>373,656</u>	<u>26,083</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 23.00% (2013 - 20.00%)	85,941	5,217
		<u>85,941</u>	<u>5,217</u>
	Effects of:		
	Non deductible expenses	-	1,311
	Depreciation add back	267	1,819
	Tax losses utilised	(39,153)	(8,347)
	Other tax adjustments	(3,590)	-
		<u>(42,476)</u>	<u>(5,217)</u>
	<b>Current tax charge for the year</b>	<u>43,465</u>	<u>-</u>

The company has corporate tax losses of approximately £335,500 that may be available to be off-set against future non-trading profits. No deferred tax asset has been recognised on these losses as the criteria of FRS19 has not been satisfied.

## **6 Profit for the financial year**

As permitted by section 408 Companies Act 2006, the holding company's profit and loss account has not been included in these financial statements. The profit for the financial year is made up as follows:

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Holding company's profit for the financial year	<u>329,751</u>	<u>26,523</u>

# BMS FINANCE LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2014

### 7 Intangible fixed assets

#### Group

	Goodwill £
<b>Cost</b>	
At 1 April 2013 & at 31 March 2014	5,273
<b>Amortisation</b>	
At 1 April 2013	440
Charge for the year	4,833
At 31 March 2014	5,273
<b>Net book value</b>	
At 31 March 2014	-
At 31 March 2013	4,833

### 8 Tangible fixed assets

#### Group and company

	Computer equipment £	Fixtures, fittings & equipment £	Total £
<b>Cost</b>			
At 1 April 2013 & at 31 March 2014	5,842	2,712	8,554
<b>Depreciation</b>			
At 1 April 2013	5,184	2,210	7,394
Charge for the year	658	502	1,160
At 31 March 2014	5,842	2,712	8,554
<b>Net book value</b>			
At 31 March 2014	-	-	-
At 31 March 2013	658	502	1,160

# BMS FINANCE LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2014

#### 9 Fixed asset investments Group

	Unlisted investments £
<b>Cost</b>	
At 1 April 2013	-
Additions	395,750
Disposals	(42,557)
At 31 March 2014	353,193
<b>Net book value</b>	
At 31 March 2014	353,193

#### Company

	Investment other £	Investment in subsidiary undertakings £	Loans to subsidiary undertakings £	Total £
<b>Cost</b>				
At 1 April 2013	-	220,000	362,492	582,492
Additions	395,750	-	161,714	557,464
Return of investment	-	(215,000)	(426,878)	(641,878)
Disposals	(42,557)	(5,000)	-	(47,557)
At 31 March 2014	353,193	-	97,328	450,521
<b>Net book value</b>				
At 31 March 2014	353,193	-	97,328	450,521
At 31 March 2013	-	220,000	362,492	582,492

#### Holdings of more than 20%

The company holds more than 20% of the interest in the following entity:

Company	Country of registration or incorporation	Interest held Class	%
<b>Subsidiary undertakings</b>			
BMS Film Finance LLP	England	Ordinary	100

The principal activity of this undertaking for the last relevant financial year was as follows:

	Principal activity
BMS Film Finance LLP	Provision of film finance



# BMS FINANCE LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2014

#### 9 Fixed asset investments

(continued)

During the year the company disposed of its 100% interest in BMS Finance Asset Management LLP to E P Stradling, a director of the company.

#### 10 Debtors

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Other debtors	1,811,775	1,727,915	1,718,545	1,697,384
Prepayments and accrued income	3,654	6,499	3,654	2,584
	<u>1,815,429</u>	<u>1,734,414</u>	<u>1,722,199</u>	<u>1,699,968</u>

Amounts falling due after more than one year and included in the debtors above are:

	2014	2013	2014	2013
	£	£	£	£
Other debtors	<u>1,648,545</u>	<u>1,648,545</u>	<u>1,648,545</u>	<u>1,648,545</u>

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

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Trade creditors	2,386	5,104	2,386	5,104
Amounts owed to related parties	-	-	-	319,029
Corporation tax	43,465	-	43,465	-
Taxes and social security costs	1,615	2,201	1,615	1,539
Other creditors	97,477	267,443	97,477	267,443
Accruals and deferred income	11,131	16,100	8,731	9,000
	<u>156,074</u>	<u>290,848</u>	<u>153,674</u>	<u>602,115</u>

# BMS FINANCE LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2014

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<b>12 Share capital</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
<b>Allotted, called up and fully paid</b>		
5,259 Ordinary shares of £0.001 each	5	5
	<u>5</u>	<u>5</u>

### 13 Statement of movements on reserves Group

	<b>Share premium account £</b>	<b>Profit and loss account £</b>
Balance at 1 April 2013	558,800	1,142,228
Profit for the year	-	330,191
Balance at 31 March 2014	<u>558,800</u>	<u>1,472,419</u>

### Company

	<b>Share premium account £</b>	<b>Profit and loss account £</b>
Balance at 1 April 2013	558,800	1,142,668
Profit for the year	-	329,751
Balance at 31 March 2014	<u>558,800</u>	<u>1,472,419</u>

# BMS FINANCE LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2014

<b>14</b>	<b>Reconciliation of movements in shareholders' funds</b>	<b>2014</b>	<b>2013</b>
	<b>Group</b>	<b>£</b>	<b>£</b>
	Profit for the financial year	330,191	26,083
	Proceeds from issue of shares	-	16,700
	Purchase of own shares	-	(92,500)
	Net addition to/(depletion in) shareholders' funds	330,191	(49,717)
	Opening shareholders' funds	1,701,033	1,750,750
	Closing shareholders' funds	2,031,224	1,701,033
		<b>2014</b>	<b>2013</b>
	<b>Company</b>	<b>£</b>	<b>£</b>
	Profit for the financial year	329,751	26,523
	Proceeds from issue of shares	-	16,700
	Purchase of own shares	-	(92,500)
	Net addition to/(depletion in) shareholders' funds	329,751	(49,277)
	Opening shareholders' funds	1,701,473	1,750,750
	Closing shareholders' funds	2,031,224	1,701,473
<b>15</b>	<b>Directors' remuneration</b>	<b>2014</b>	<b>2013</b>
		<b>£</b>	<b>£</b>
	Remuneration for qualifying services	34,318	120,712

# BMS FINANCE LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2014

### 16 Employees

#### Number of employees

The average monthly number of employees (including directors) during the year was:

	2014 Number	2013 Number
Administration and management	4	7

#### Employment costs

	2014 £	2013 £
Wages and salaries	48,318	308,887
Social security costs	5,515	33,254
	53,833	342,141

### 17 Control

As at 31 March 2014 the company was under the control of Tranquil Insurance Company Limited.

### 18 Related party relationships and transactions

#### Group and company

During the year the group entered into the following transactions with related parties;

(i) D J S Burnett, a former director, has loaned the company £90,000 (2013: £90,000). The loan is secured by a fixed and floating charge over the assets of the company and bears interest at 6.5% per annum. Interest of £5,850 (2013: £5,850) was charged during the year.

(ii) During the year the company sold its interest in BMS Finance Asset Management LLP to E P Stradling for £1, realising a book loss on disposal of £4,999.

(iii) E P Stradling, a director, is also a director of BMS Finance AB Limited. During the year the company charged BMS Finance AB Limited £nil (2013: £48,979) for administration fees.

(iv) The directors of the company are also directors of Agilisys Group Limited. During the year the group earned consultancy fees of £58,667 (2013: 62,000) from Agilisys Group Limited and exercised and sold warrants held in the company, resulting in a gain of £170,229.

(v) At the year end, Tranquil Insurance Company Limited, the parent undertaking, owed the company £2,148,545 (2013: £2,148,545) by way of an interest free loan. An impairment provision of £500,000 has been made against this loan.

(vi) During the year the company made an investment of £353,193 in Floream Group Limited, which has common directors with E P Stradling and M K Badale. A loan of £70,000 (2013: £nil) was also advanced during the year and this balance was outstanding at 31 March 2014.

# BMS FINANCE LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2014

### 19 Business combinations - disposal in the year

On 10 September 2013 the company sold its interest in BMS Finance Asset Management LLP for a consideration of £1, to E P Stradling. This transaction has been accounted for using the acquisition method of accounting.

	10 September 2013 £ Fair value	10 September 2013 £ Carrying amount
<b>Net assets at disposal</b>		
Debtors	2,774	2,774
Cash at bank and in hand	8,378	8,378
Creditors falling due within one year	(6,152)	(6,152)
	<hr/>	<hr/>
Fair value of identifiable net assets at disposal	5,000	5,000
	<hr/>	<hr/>
Less: Minority interests	-	
	<hr/>	
Share of fair value of identifiable net assets at disposal	5,000	
	<hr/> <hr/>	

On disposal, the group's interest in the fair value of identifiable net assets exceeded the consideration by £4,999.

#### Net cash outflow on disposal of subsidiary

Consideration received	1
Cash and cash equivalent balances at disposal	(8,378)
	<hr/>
	(8,377)
	<hr/> <hr/>

#### Effect of disposed entity on cash flow for the year

Net cash inflow from operating activities	2,072
	<hr/>
	2,072
	<hr/> <hr/>