

Registered number: 08474039

BNF CAPITAL LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019



BNF CAPITAL LIMITED

COMPANY INFORMATION

Directors	J M Runacher N J Fallows S T Benson
Registered number	08474039
Registered office	8 Hanover Square London England W1S 1HQ
Independent auditor	Deloitte LLP 1 New Street Square London EC4A 3HQ

BNF CAPITAL LIMITED

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BNF CAPITAL LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

Introduction

BNF Capital Limited is an investment advisory and administration services company. The primary objective of the Company is to increase shareholders' wealth through the provision of investment advice to a group of high net worth individuals. This group of high net worth individuals are all members of the same extended family and the Company was established to provide this family with investment advice. Many of the risks of a typical investment firm are therefore not applicable or significantly reduced.

Business review

The revenue of the Company is derived from a 7.5% mark-up on costs which ensures operating margin will always be maintained. Non-operating costs will impact the gross profit margin of the Company as described below.

The Balance Sheet on page 10 of the financial statements shows that the Company's overall financial position at the end of the year is still strong, with net assets decreasing from £1,694,995 at 31 December 2018 to £1,561,245 at 31 December 2019.

A dividend of £690,000 was paid in 2019 (2018 - £Nil).

Financial key performance indicators

With revenue being derived from a mark-up on cost basis, debtor days are considered one of the key performance indicators of the Company. Debtor days decreased from 185 in 2018 to 128 in 2019. There is more concern over recoverability of debts than changes in revenue. This can be impacted by the billing code as well as delays in payment, however, only significant differences would raise concern.

BNF CAPITAL LIMITED

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

Principal risks and uncertainties**Operational risk**

This is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Examples of significant operational incidents that could arise are fraud, technology failures, fund valuation errors or misadvice relating to investment products.

The Company monitors the potential impact that operational risks present on an ongoing basis. This is achieved through implementing and testing controls, providing appropriate training to employees and maintaining up to date technology with professional technical support.

The risk to the Company presented by COVID-19 is discussed within the post reporting date events section of the Directors' Report.

Business and Strategic risk

This is defined as any risk to the Company arising from changes in its business, including the risk that it may not be able to carry out its business plan and desired strategy. Business risk is the risk to a firm that it suffers a loss because of claims from dissatisfied clients. In a broader sense, it is exposed to a wide range of macroeconomic, geopolitical, industry, regulatory and other external risks that might deflect a firm from its desired strategy and business plan.

The Company monitors the possible impact of business and strategic risk through regular communication and feedback with its clients.

Reputational risk

This is defined as the risk of damage to the firm's reputation that could lead to negative publicity, costly litigation, a decline in the customer base or the exit of key employees and directly or indirectly to a loss in the faith of customers to the business.

The Company monitors the potential reputational impact of all risk categories and takes appropriate action to prevent and manage the kinds of events which may give rise to reputational damage. This is achieved through putting in place frameworks and controls around both the performance of investments over which advice has been given and monitoring the effectiveness thereof.

Brexit risk

Despite the Article 50 Notice being served, there remains significant uncertainty around the likely terms of the post-Brexit arrangements between the UK and the EU, as well as possible transitional agreements. However, the directors do not consider the risk presented by Article 50 to be significant in the context of the Company.

Credit risk

Credit is defined as the risk that a counterparty will fail to pay its debts. This has never been an issue for the Company and is not considered to be a significant risk.

Future developments

The Company will continue to advise the group of high net worth individuals for the foreseeable future.

This report was approved by the board on 24 April 2020 and signed on its behalf.


N J Fallows
Director

BNF CAPITAL LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019**

The Directors present their report and the financial statements for the year ended 31 December 2019.

Principal activity

The principal activity of the Company is to provide investment advisory and administration services to various entities.

Results and dividends

The profit for the year, after taxation, amounted to £556,250 (2018 - £444,602).

A dividend of £690,000 was paid during the year ended 31 December 2019 (2018 - £Nil).

Directors

The Directors who served during the year and to the date of this report were:

J M Runacher
N J Fallows
S T Benson

Directors' indemnities

The Company 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 reporting date.

Going concern

The directors have at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Future developments

The future developments of the Company have been outlined in the Strategic report. Risks and uncertainties have also been included in the Strategic report.

Post reporting date events

During the period from the date of the Statement of Financial Position to the date that the Financial Statements were approved, the coronavirus (COVID-19) outbreak has caused extensive disruptions to businesses and economic activities globally. The uncertainties over the emergence and spread of COVID-19 have caused market volatility on a global scale. The quantum of the effect on the key clients, the Company and entities that it provides investment advisory and administrative services to is difficult to determine, however, BNF Capital Limited is monitoring the situation and believes that it has adequate financial resources to meet its obligations and continue in existence for the foreseeable future.

BNF CAPITAL LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

Disclosure of information to auditor

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

The auditor, Deloitte LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 24 April 2020 and signed on its behalf.

A handwritten signature in black ink, appearing to read 'N J Fallows', is written over a horizontal line.

N J Fallows
Director

BNF CAPITAL LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019**

The Directors are responsible for preparing the Strategic Report, 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 for the Company's financial statements 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;
- 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 to 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.

BNF CAPITAL LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BNF CAPITAL LIMITED

Report on the audit of the financial statements**Opinion**

In our opinion the financial statements of BNF Capital Limited (the 'company'):

- give a true and fair view of the state of the company's affairs for the year ended 31 December 2019 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 Balance Sheet;
- the Statement of Changes in Equity
- the Statement of Cash Flows; and
- the related notes 1 to 19.

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

BNF CAPITAL LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BNF CAPITAL LIMITED

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.

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 directors' report for the financial period 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.

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 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.

BNF CAPITAL LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BNF CAPITAL LIMITED

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.



Stuart McLaren (Senior statutory auditor)
For and on behalf of Deloitte LLP

Statutory Auditor
London, England
24 April 2020

BNF CAPITAL LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019 £	2018 £
Turnover	5	10,161,875	7,468,231
Gross profit		10,161,875	7,468,231
Administrative expenses		(9,470,921)	(6,917,909)
Operating profit		690,954	550,322
Tax on profit	11	(134,704)	(105,720)
Profit for the financial year		556,250	444,602

There was no other comprehensive income during the year (2018: £Nil).

All results are from continuing operations.

The notes on pages 13 to 21 form part of these financial statements.

BNF CAPITAL LIMITED
REGISTERED NUMBER: 08474039

BALANCE SHEET
AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	12	3,490	-
		<u>3,490</u>	<u>-</u>
Current assets			
Debtors: amounts falling due within one year	13	3,572,544	3,938,139
Cash at bank and in hand		3,563,797	1,572,629
		<u>7,136,341</u>	<u>5,510,768</u>
Creditors: amounts falling due within one year	14	(5,578,586)	(3,815,773)
Net current assets		<u>1,557,755</u>	<u>1,694,995</u>
Total assets less current liabilities		<u>1,561,245</u>	<u>1,694,995</u>
Net assets		<u>1,561,245</u>	<u>1,694,995</u>
Capital and reserves			
Called up share capital	17	69,003	69,003
Profit and loss account		1,492,242	1,625,992
		<u>1,561,245</u>	<u>1,694,995</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 24 April 2020


N J Fallows
 Director

The notes on pages 13 to 21 form part of these financial statements.

BNF CAPITAL LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2018	69,003	1,181,390	1,250,393
Profit for the year	-	444,602	444,602
Total comprehensive income for the year	-	444,602	444,602
At 1 January 2019	69,003	1,625,992	1,694,995
Comprehensive income for the year	-	556,250	556,250
Profit for the year	-	556,250	556,250
Total comprehensive income for the year	-	556,250	556,250
Dividends: Equity capital	-	(690,000)	(690,000)
At 31 December 2019	69,003	1,492,242	1,561,245

The notes on pages 13 to 21 form part of these financial statements.

BNF CAPITAL LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019**

	2019 £	2018 £
Cash flows from operating activities		
Profit for the financial year	556,250	444,602
Adjustments for:		
Foreign exchange	18,016	29,282
Taxation charge	134,704	105,720
Decrease in debtors	365,595	1,549,399
Increase/(decrease) in creditors	1,734,279	(1,513,455)
Corporation tax (paid)	(105,720)	(90,893)
Net cash generated from operating activities	2,703,124	524,655
Cash flows from investing activities		
Purchase of tangible fixed assets	(3,940)	-
Net cash from investing activities	(3,940)	-
Cash flows from financing activities		
Dividends paid	(690,000)	-
Net cash used in financing activities	(690,000)	-
Net increase in cash and cash equivalents	2,009,184	524,655
Cash and cash equivalents at beginning of year	1,572,629	1,077,256
Foreign exchange gains and losses	(18,016)	(29,282)
Cash and cash equivalents at the end of year	3,563,797	1,572,629
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	3,563,797	1,572,629
	3,563,797	1,572,629

The notes on pages 13 to 21 form part of these financial statements.

BNF CAPITAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

1. General information

The Company is a private company limited by shares incorporated in England and Wales in the United Kingdom under the Companies Act 2006. The address of the registered office is: 8 Hanover Square, London, W1S 1HQ. The nature of the Company's operations and its principal activities are set out in the Directors Report. There is no ultimate controlling party.

2. Accounting policies**2.1 Basis of preparation of financial statements**

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

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006. This is the first year that the Company is preparing the financial statements under FRS 102. Historically the financial statements have been prepared under IFRS.

The last financial statements under IFRS were for the year ended 31 December 2018 and the date of transition to FRS 102 was therefore 1 January 2019. As a consequence of adopting FRS 102, no accounting policies have required to change to comply with the new standard. As such, no prior year adjustments were required to be made in relation to the 2018 figures.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Foreign currency translation**Functional and presentation currency**

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

BNF CAPITAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)**2.3 Turnover**

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business, net of discounts, VAT and other sales related taxes. Revenue is recognised in the period in which services are rendered in line with service agreements with clients. Revenue is only recognised where BNF Capital Limited have a contractual right to receive consideration for work undertaken, the amount can be reliably measured and it is probable that future economic benefits will flow. The revenue of the Company is derived from a 7.5% mark-up on costs.

2.4 Administrative expenses

Administrative expenses consists of expenditure relating to staff costs and operating expenses. These are recorded on an accruals basis in the period which the goods or services are used or received.

2.5 Employee benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Short-term and other long-term employee benefits

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

2.6 Taxation

The tax expense represents the sum of the tax currently payable.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of Comprehensive Income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.7 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

BNF CAPITAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)**2.7 Tangible fixed assets (continued)**

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Other fixed assets	- 33.33%
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.8 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

2.10 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.11 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

BNF CAPITAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)**2.12 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In the application of the Company's accounting policies which are described in note 2, the directors are required to make judgements, estimates or assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to these estimates are recognised prospectively.

In the eyes of the directors there are no material accounting estimates or judgements that have been applied in the year (2018: none).

4. Going Concern

The manager has reviewed the projected income, expenses and cash flows, for the Company over the next twelve months, and also the potential impact of the United Kingdom leaving the European Union (Brexit), as well as the impact of the COVID-19 outbreak. The quantum of the effect on investments within the companies advised by the Company is difficult to determine, however the Company is confident that the entities that it advises have adequate financial resources to meet their obligations and continue in operational existence for the foreseeable future.

5. Turnover

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

	2019 £	2018 £
Advisory income	10,161,875	7,468,231
	<u>10,161,875</u>	<u>7,468,231</u>

6. Operating profit

The operating profit is stated after charging:

	2019 £	2018 £
Exchange differences	18,016	(29,282)
Other operating lease rentals	850,485	613,208
	<u>850,485</u>	<u>613,208</u>

BNF CAPITAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

7. Auditor's remuneration

	2019 £	2018 £
Audit		
Fees payable by the Company to Deloitte LLP for the statutory audit of the Company's annual report and financial statements	25,000	15,500
Fees payable by the Company to Deloitte LLP for the FCA client assets audit	7,000	6,400
Fees payable by the Company to Deloitte LLP for the non-statutory audits of the companies to which the Company provides investment advisory and administration services	365,000	355,500
	<u>397,000</u>	<u>377,400</u>
	2019 £	2018 £
Non-Audit		
Tax services	211,154	306,400
	<u>211,154</u>	<u>306,400</u>

8. Employees

Staff costs were as follows:

	2019 £	2018 £
Wages and salaries	4,414,285	3,445,935
Social security costs	589,238	479,992
Cost of defined contribution scheme	48,038	28,530
	<u>5,051,561</u>	<u>3,954,457</u>

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

	2019 No.	2018 No.
Directors	3	3
Employees	9	7
	<u>12</u>	<u>10</u>

BNF CAPITAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

9. Directors' remuneration

Total Directors' remuneration during the year was £4,417,882 (2018 - £3,420,606). The value of the company's contributions paid to a defined contribution pension scheme in respect of the the Director's amounted to £11,928 (2018 - £9,642).

The highest paid Director received remuneration of £1,985,851 (2018 - £1,406,214).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £6,684 (2018 - £4,842).

10. Retirement benefit schemes

The total costs charged to income in respect of defined contribution plans is £48,057 (2018 - £28,530.)

11. Taxation

	2019 £	2018 £
Corporation tax		
Current tax on profits for the year	134,704	105,720
	<u>134,704</u>	<u>105,720</u>
Total current tax	<u>134,704</u>	<u>105,720</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2018 - *higher than*) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £	2018 £
Profit on ordinary activities before tax	690,954	550,322
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	131,281	104,561
Effects of:		
Expenses not deductible for tax purposes	3,423	1,159
Total tax charge for the year	<u>134,704</u>	<u>105,720</u>

BNF CAPITAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

12. Tangible fixed assets

	Other fixed assets £
Cost or valuation	
At 1 January 2019	-
Additions	3,490
At 31 December 2019	<u>3,490</u>
Net book value	
At 31 December 2019	<u>3,490</u>
At 31 December 2018	<u>-</u>

13. Debtors

	2019 £	2018 £
Trade debtors	1,868,795	3,679,730
Other debtors	347,777	154,048
Prepayments and accrued income	1,355,972	104,361
	<u>3,572,544</u>	<u>3,938,139</u>

Trade and other debtors are interest free and are repayable on demand.

14. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	1,644,782	1,557,381
Corporation tax	135,254	105,720
Other taxation and social security	1,013,958	600,577
Other creditors	54,697	7,508
Accruals and deferred income	2,729,895	1,544,587
	<u>5,578,586</u>	<u>3,815,773</u>

BNF CAPITAL LIMITED

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15. Financial instruments

	2019 £	2018 £
Financial assets		
Financial assets measured at fair value through profit or loss	3,563,797	1,572,629
Trade and other receivables	2,082,637	3,833,778
	<u>5,646,434</u>	<u>5,406,407</u>

Financial assets measured at fair value through profit or loss comprise trade and other debtors and cash and cash equivalents.

16. Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders.

The capital structure of the Company consists of equity of the Company (comprising issued capital and retained earnings).

Under the requirements of the Financial Conduct Authority the Company is required to hold a minimum capital balance of €50,000.

No sensitivity to market movements or interest rates has been performed as the majority of expenses are in GBP; expenses in foreign currencies, including expenses included within creditors at year end are considered immaterial.

More details of risk management are detailed in the Strategic report.

BNF CAPITAL LIMITED

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17. Share capital

During the year there were 1,000 authorised Class A (voting) shares of £1 each (2018: 1,000) and 69,000 authorised Class B (income) shares of £1 each (2017: 69,000).

	2019 £	2018 £
Allotted, called up and fully paid		
69,000 (2018 - 69,000) Class B (income) shares of £1 each. -	<u>69,000</u>	<u>69,000</u>
Allotted, called up and partly paid		
3 (2018 - 3) Class A (Voting) shares of £1 each. -	<u>3</u>	<u>3</u>

18. Related party transactions

There are no key management personnel other than the directors.

Perenco Holdings Limited is considered to be a related party due to the provision of key management personnel to the company. During the year the company purchased services in the ordinary course of business from Perenco Holdings Limited, at a cost of £3,173,273 (2018: £2,163,531). Amounts owed to Perenco Holdings Limited at the reporting date were £1,563,860 (2018: £1,533,514).

19. Events after the reporting period

In early 2020, a new coronavirus ("COVID-19") emerged which has been declared a global pandemic. COVID-19 has caused significant disruption to businesses and economic activity which has been reflected in recent fluctuations in global stock markets. The Company considers the emergence and spread of COVID-19 to be a non-adjusting post balance sheet event. The extent of the impact of the COVID-19 outbreak on the financial performance of the Company will depend on future developments and the impact on the wealth of key clients. Future developments include the duration and spread of the pandemic and related governmental guidance and restrictions and the impact of COVID-19 on the financial markets and the overall economy, all of which are highly uncertain and cannot be predicted.