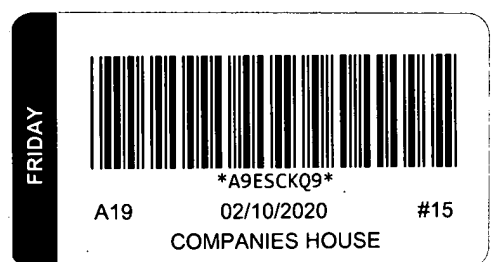


**Company Registration No. 10369765 (England and Wales)**

**BF INTER LTD**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 31 DECEMBER 2019**



# BF INTER LTD

## COMPANY INFORMATION

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<b>Directors</b>	Mr R J Cook Mr R L Simmonds
<b>Company number</b>	10369765
<b>Registered office</b>	1350-1360 Montpellier Court Brockworth Gloucester GL3 4AH
<b>Auditor</b>	Kendall Wadley LLP Granta Lodge 71 Graham Road Malvern Worcestershire WR14 2JS

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# **BF INTER LTD**

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# **BF INTER LTD**

## **STRATEGIC REPORT**

***FOR THE PERIOD ENDED 31 DECEMBER 2019***

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The directors present the strategic report for the period ended 31 December 2019.

The principal activity of the company is that of a holding company for a UK financial services group of companies.

### **Fair review of the business**

The last year saw headwinds caused by political uncertainty as a result of Brexit and the General Election. This caused a slow-down in fund raising, although the company still raised a healthy level of new investment business, in line with the previous year. Over the course of 2019 the business progressed with projects aimed to diversify revenue streams and to widen our customer base and growth opportunity. To this end, the Spring VCT was launched, and a range of new listed multi asset funds was developed, with a launch schedule of early 2020.

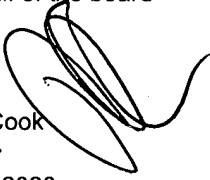
The results for the group show a pre tax profit of £8,196,244 for the period (2018 : £2,724,049 pre tax profit for the year).

The shareholder's funds amount to a surplus of £1,250,769 (2018 : £2,251,161 surplus).

### **Principal risks and uncertainties**

Key risks relate to the nature of Brexit and also the ongoing Covid 19 situation. The group reacted quickly to adjust to the new working methods under government guidelines, with a range of risk management strategies and provisions to ensure business continuity. Investments performed in line with expectations and client investment redemptions were minimal. The group has continued to raise a healthy flow of new funds and investment management activities continue to generate revenue. The management team are confident in the group's resilience and ability to trade and adjust to the 'new normal'.

On behalf of the board



Mr R J Cook  
**Director**  
22 June 2020

# **BF INTER LTD**

## **DIRECTORS' REPORT**

**FOR THE PERIOD ENDED 31 DECEMBER 2019**

---

The directors present their annual report and financial statements for the period ended 31 December 2019.

### **Principal activities**

The principal activity of the company is that of a holding company for a UK financial services group of companies.

### **Directors**

The directors who held office during the period and up to the date of signature of the financial statements were as follows:

Mr R J Cook  
Mr R L Simmonds

### **Results and dividends**

The results for the period are set out on page 7.

Ordinary dividends were paid amounting to £7,794,637. The directors do not recommend payment of a further dividend.

### **Auditor**

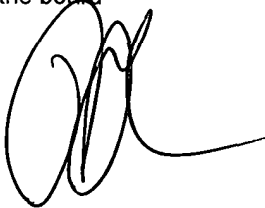
In accordance with the company's articles, a resolution proposing that Kendall Wadley LLP be reappointed as auditor of the group will be put at a General Meeting.

### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually 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 auditor of the company is aware of that information.

On behalf of the board

Mr R J Cook  
**Director**



22 June 2020

# **BF INTER LTD**

## **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2019**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 group and company, 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 and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# BF INTER LTD

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BF INTER LTD

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### Opinion

We have audited the financial statements of BF Inter Ltd (the 'parent company') and its subsidiaries (the 'group') for the period ended 31 December 2019 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows, the company statement of cash flows and notes to the financial statements, 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 FRS 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 state of the group's and the parent company's affairs as at 31 December 2019 and of the group's profit for the period 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. 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 group's or the parent 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 directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

# **BF INTER LTD**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF BF INTER LTD**

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### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our audit:

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

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

In the light of the knowledge and understanding of the group and the parent 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 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.

### **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 group's and the parent 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 group or the parent 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: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.



## **BF INTER LTD**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF BF INTER LTD**

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#### **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.

**Elizabeth Needham ACA CTA (VAT) (Senior Statutory Auditor)**  
**for and on behalf of Kendall Wadley LLP**

22 June 2020

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

Granta Lodge  
71 Graham Road  
Malvern  
Worcestershire  
WR14 2JS

# BF INTER LTD

## GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER 2019

		Period ended 31 December 2019 £	Year ended 31 October 2018 £
	Notes		
Turnover	3	17,529,674	8,156,174
Cost of sales		(116,246)	(68,038)
<b>Gross profit</b>		<b>17,413,428</b>	<b>8,088,136</b>
Administrative expenses		(9,342,413)	(5,415,314)
Other operating income		57,176	-
<b>Operating profit</b>	4	<b>8,128,191</b>	<b>2,672,822</b>
Interest receivable and similar income	8	80,850	57,501
Interest payable and similar expenses	9	(12,797)	(6,274)
<b>Profit before taxation</b>		<b>8,196,244</b>	<b>2,724,049</b>
Tax on profit	10	(1,402,999)	(511,852)
<b>Profit for the financial period</b>		<b>6,793,245</b>	<b>2,212,197</b>

Profit for the financial period is all attributable to the owners of the parent company.

Total comprehensive income for the period is all attributable to the owners of the parent company.

The profit and loss account has been prepared on the basis that all operations are continuing operations.

# BF INTER LTD

## GROUP BALANCE SHEET AS AT 31 DECEMBER 2019

	Notes	2019 £	£	2018 £	£
<b>Fixed assets</b>					
Goodwill	12		181,046		212,533
Tangible assets	13		1,089,221		292,582
Investments	14		106,128		16,035
			<u>1,376,395</u>		<u>521,150</u>
<b>Current assets</b>					
Debtors	16	3,336,579		3,307,759	
Cash at bank and in hand		544,057		592,611	
		<u>3,880,636</u>		<u>3,900,370</u>	
<b>Creditors: amounts falling due within one year</b>	17	(3,349,675)		(2,109,130)	
<b>Net current assets</b>			530,961		1,791,240
<b>Total assets less current liabilities</b>			<u>1,907,356</u>		<u>2,312,390</u>
<b>Creditors: amounts falling due after more than one year</b>	18		(629,747)		(48,457)
<b>Provisions for liabilities</b>	21		(26,840)		(11,772)
<b>Net assets</b>			<u>1,250,769</u>		<u>2,252,161</u>
<b>Capital and reserves</b>					
Called up share capital	23		1,000		1,000
Profit and loss reserves			1,249,769		2,251,161
<b>Total equity</b>			<u>1,250,769</u>		<u>2,252,161</u>

The financial statements were approved by the board of directors and authorised for issue on 22 June 2020 and are signed on its behalf by:

Mr R J Cook  
Director



# BF INTER LTD

## COMPANY BALANCE SHEET AS AT 31 DECEMBER 2019

	Notes	2019 £	£	2018 £	£
<b>Fixed assets</b>					
Investments	14		595,673		595,673
<b>Current assets</b>					
Debtors	16	2,842,602		3,207,632	
<b>Creditors: amounts falling due within one year</b>	17	(3,361,358)		(3,777,626)	
<b>Net current liabilities</b>			(518,756)		(569,994)
<b>Total assets less current liabilities</b>			76,917		25,679
<b>Capital and reserves</b>					
Called up share capital	23		1,000		1,000
Profit and loss reserves			75,917		24,679
<b>Total equity</b>			76,917		25,679

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the period was £7,845,875 (2018 - £1,132,003 profit).

The financial statements were approved by the board of directors and authorised for issue on 22 June 2020 and are signed on its behalf by:

Mr R J Cook  
Director



Company Registration No. 10369765

# BF INTER LTD

## GROUP STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2019

	Notes	Share capital £	Profit and loss reserves £	Total £
<b>Balance at 1 November 2017</b>		1,000	1,130,585	1,131,585
<b>Period ended 31 October 2018:</b>				
Profit and total comprehensive income for the period		-	2,212,197	2,212,197
Dividends	11	-	(1,091,621)	(1,091,621)
<b>Balance at 31 October 2018</b>		1,000	2,251,161	2,252,161
<b>Period ended 31 December 2019:</b>				
Profit and total comprehensive income for the period		-	6,793,245	6,793,245
Dividends	11	-	(7,794,637)	(7,794,637)
<b>Balance at 31 December 2019</b>		1,000	1,249,769	1,250,769

# BF INTER LTD

## COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2019

	Notes	Share capital £	Profit and loss reserves £	Total £
<b>Balance at 1 November 2017</b>		1,000	(15,703)	(14,703)
<b>Period ended 31 October 2018:</b>				
Profit and total comprehensive income for the period		-	1,132,003	1,132,003
Dividends	11	-	(1,091,621)	(1,091,621)
<b>Balance at 31 October 2018</b>		1,000	24,679	25,679
<b>Period ended 31 December 2019:</b>				
Profit and total comprehensive income for the period		-	7,845,875	7,845,875
Dividends	11	-	(7,794,637)	(7,794,637)
<b>Balance at 31 December 2019</b>		1,000	75,917	76,917

# BF INTER LTD

## GROUP STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 31 DECEMBER 2019

	Notes	2019 £	£	2018 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	28	8,431,999		3,300,145	
Interest paid		(12,797)		(6,274)	
Income taxes paid		(425,566)		(286,468)	
<b>Net cash inflow from operating activities</b>		<b>7,993,636</b>		<b>3,007,403</b>	
<b>Investing activities</b>					
Purchase of tangible fixed assets		(364,981)		(264,742)	
Purchase of fixed asset investments		(90,093)		(16,035)	
Directors loans		164,325		(1,231,761)	
Interest received		80,850		57,501	
<b>Net cash used in investing activities</b>		<b>(209,899)</b>		<b>(1,455,037)</b>	
<b>Financing activities</b>					
Repayment of borrowings		-		(274,691)	
Repayment of bank loans		(6,750)		-	
Payment of finance leases obligations		(30,904)		(12,035)	
Dividends paid to equity shareholders		(7,794,637)		(1,091,621)	
<b>Net cash used in financing activities</b>		<b>(7,832,291)</b>		<b>(1,378,347)</b>	
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(48,554)</b>		<b>174,019</b>	
Cash and cash equivalents at beginning of period		592,611		418,592	
<b>Cash and cash equivalents at end of period</b>		<b>544,057</b>		<b>592,611</b>	

# BF INTER LTD

## COMPANY STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 DECEMBER 2019

	Notes	2019 £	£	2018 £	£
<b>Cash flows from operating activities</b>					
Cash (absorbed by)/generated from operations	29		(230,785)		1,454,028
Interest paid			(1,973)		(4,838)
Income taxes paid			(8,796)		-
<b>Net cash (outflow)/inflow from operating activities</b>			(241,554)		1,449,190
<b>Investing activities</b>					
Directors loans		164,324		(1,231,761)	
Interest received		77,230		57,262	
<b>Net cash generated from/(used in) investing activities</b>			241,554		(1,174,499)
<b>Financing activities</b>					
Repayment of borrowings		-		(274,691)	
<b>Net cash used in financing activities</b>			-		(274,691)
<b>Net increase in cash and cash equivalents</b>			-		-
Cash and cash equivalents at beginning of period			-		-
<b>Cash and cash equivalents at end of period</b>			-		-



# BF INTER LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019

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### 1 Accounting policies

#### Company information

BF Inter Ltd ("the company") is a limited company domiciled and incorporated in England and Wales. The registered office is 1350-1360 Montpellier Court, Brockworth, Gloucester, GL3 4AH.

The group consists of BF Inter Ltd and all of its subsidiaries.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### 1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Investments in subsidiaries are accounted for at cost less impairment.

The consolidated financial statements incorporate those of BF Inter Ltd and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 December 2019. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

#### 1.3 Going concern

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

#### 1.4 Reporting period

The company has extended the reporting period from 31st October 2019 to the 31st December 2019 to be in line with the calendar year. This set of accounts is for a 14 month period whereas the comparative figures are for a 12 month period.

# BF INTER LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2019

### 1 Accounting policies

(Continued)

#### 1.5 Turnover

Turnover comprises revenue recognised by the group in respect of financial agency services, other investment products during the period, rentals receivable, arrangement fees and monitoring fees exclusive of Value Added Tax.

The group recognises the commission income from investment portfolios completed only when full legal title has been granted.

The group recognises the investment management fees in line with the agreements held with the investors.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

#### 1.6 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

#### 1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	2% straight line on original cost of assets
Improvements to leasehold buildings	Over the life of the lease
Fixtures and fittings	25% to 33% straight line on original cost of assets
Computers	25% to 33% straight line on original cost of assets
Motor vehicles	25% straight line on original cost of assets

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

#### 1.8 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

# BF INTER LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2019

### 1 Accounting policies

(Continued)

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

#### 1.9 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.10 Cash at bank and in hand

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.11 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally 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.

# BF INTER LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2019

---

### 1 Accounting policies

(Continued)

#### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

#### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

#### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Basic financial liabilities, including creditors, bank loans and loans from fellow group companies are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

# BF INTER LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2019

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### 1 Accounting policies

(Continued)

#### 1.12 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

#### 1.13 Taxation

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

##### *Current tax*

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

##### *Deferred tax*

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### 1.14 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.15 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### 1.16 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

# BF INTER LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2019

### 1 Accounting policies

(Continued)

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

#### 1.17 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

#### 1.18 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

### 2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

### 3 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2019	2018
	£	£
<b>Turnover analysed by class of business</b>		
Arrangement and monitoring fees	11,834,019	4,424,267
Management and administration fees	1,738,806	892,906
Sales fees	1,750,236	1,626,474
Investment management fees	1,637,860	989,236
Rent receivable	133,883	42,550
Other commission	3,546	10,695
Legal fees	195,841	84,023
Exit fees	233,733	75,418
Other income	1,750	10,605
	<u>17,529,674</u>	<u>8,156,174</u>

# BF INTER LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2019

### 3 Turnover and other revenue (Continued)

	2019 £	2018 £
<b>Other significant revenue</b>		
Interest income	80,850	57,501

	2019 £	2018 £
<b>Turnover analysed by geographical market</b>		
UK sales	17,529,674	8,156,174

### 4 Operating profit

	2019 £	2018 £
Operating profit for the period is stated after charging:		
Exchange losses	1,068	300
Depreciation of owned tangible fixed assets	214,528	68,783
Amortisation of intangible assets	31,487	26,989
Operating lease charges	187,571	154,348

### 5 Auditor's remuneration

	2019 £	2018 £
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	12,000	3,246
Audit of the company's subsidiaries	42,558	34,701
	54,558	37,947

### 6 Employees

The average monthly number of persons (including directors) employed by the group and company during the period was:

	Group 2019 Number	2018 Number	Company 2019 Number	2018 Number
Administrative	75	70	-	-
Directors	2	2	2	2
	77	72	2	2

# BF INTER LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2019

### 6 Employees

(Continued)

Their aggregate remuneration comprised:

	Group 2019 £	2018 £	Company 2019 £	2018 £
Wages and salaries	5,318,188	3,009,607	-	-
Social security costs	617,403	342,004	-	-
Pension costs	133,436	50,871	-	-
	<u>6,069,027</u>	<u>3,402,482</u>	<u>-</u>	<u>-</u>

### 7 Directors' remuneration

	2019 £	2018 £
Remuneration for qualifying services	561,170	317,833
Company pension contributions to defined contribution schemes	22,098	5,068
	<u>583,268</u>	<u>322,901</u>

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2019 £	2018 £
Remuneration for qualifying services	331,337	172,000
Company pension contributions to defined contribution schemes	15,940	2,735
	<u>347,277</u>	<u>174,735</u>

### 8 Interest receivable and similar income

	2019 £	2018 £
<b>Interest income</b>		
Interest on bank deposits	-	8
Other interest income	80,850	57,493
Total income	<u>80,850</u>	<u>57,501</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	<u>-</u>	<u>8</u>
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# BF INTER LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2019

### 9 Interest payable and similar expenses

	2019 £	2018 £
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on bank overdrafts and loans	3,818	806
Other interest on financial liabilities	1,968	4,838
	<u>5,786</u>	<u>5,644</u>
<b>Other finance costs:</b>		
Interest on finance leases and hire purchase contracts	6,228	630
Other interest	783	-
	<u>12,797</u>	<u>6,274</u>

# BF INTER LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2019

### 10 Taxation

	2019 £	2018 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	1,575,296	482,930
Adjustments in respect of prior periods	(187,365)	-
Total current tax	<u>1,387,931</u>	<u>482,930</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	<u>15,068</u>	<u>28,922</u>
Total tax charge	<u>1,402,999</u>	<u>511,852</u>

The actual charge for the period can be reconciled to the expected charge for the period based on the profit or loss and the standard rate of tax as follows:

	2019 £	2018 £
Profit before taxation	<u>8,196,244</u>	<u>2,724,049</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	1,557,286	517,569
Tax effect of expenses that are not deductible in determining taxable profit	34,599	16,403
Tax effect of utilisation of tax losses not previously recognised	-	(548)
Depreciation on assets not qualifying for tax allowances	6,162	522
Amortisation on assets not qualifying for tax allowances	5,983	5,128
Research and development tax credit	(187,365)	-
Deferred tax not provided	(13,666)	(27,222)
Tax expense for the period	<u>1,402,999</u>	<u>511,852</u>

### 11 Dividends

	2019 £	2018 £
Final paid	<u>7,794,637</u>	<u>1,091,621</u>

# BF INTER LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2019

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### 12 Intangible fixed assets

Group	Goodwill arising on consolidation
	£
<b>Cost</b>	
At 1 November 2018 and 31 December 2019	269,885
<b>Amortisation and impairment</b>	
At 1 November 2018	57,352
Amortisation charged for the period	31,487
At 31 December 2019	88,839
<b>Carrying amount</b>	
At 31 December 2019	181,046
At 31 October 2018	212,533

The company had no intangible fixed assets at 31 December 2019 or 31 October 2018.

## BF INTER LTD

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2019

#### 13 Tangible fixed assets

Group	Freehold land and buildings	Improvements to leasehold buildings	Fixtures and fittings	Computers	Motor vehicles	Total
	£	£	£	£	£	£
<b>Cost on acquisition</b>						
At 1 November 2018	-	65,187	111,193	124,389	74,350	375,119
Additions	711,932	23,154	21,494	95,651	158,936	1,011,167
At 31 December 2019	711,932	88,341	132,687	220,040	233,286	1,386,286
<b>Depreciation and impairment on acquisition</b>						
At 1 November 2018	-	2,747	33,334	34,066	12,390	82,537
Depreciation charged in the period	5,949	26,483	35,953	66,508	79,635	214,528
At 31 December 2019	5,949	29,230	69,287	100,574	92,025	297,065
<b>Carrying amount</b>						
At 31 December 2019	705,983	59,111	63,400	119,466	141,261	1,089,221
At 31 October 2018	-	62,440	77,859	90,323	61,960	292,582

The company had no tangible fixed assets at 31 December 2019 or 31 October 2018

# BF INTER LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2019

### 14 Fixed asset investments

	Notes	Group 2019 £	2018 £	Company 2019 £	2018 £
Investments in subsidiaries	15	-	-	595,673	595,673
Unlisted investments		106,128	16,035	-	-
		<u>106,128</u>	<u>16,035</u>	<u>595,673</u>	<u>595,673</u>

#### Movements in fixed asset investments Group

	Investments other than loans £
<b>Cost or valuation</b>	
At 1 November 2018	16,035
Additions	90,093
At 31 December 2019	<u>106,128</u>
<b>Carrying amount</b>	
At 31 December 2019	<u>106,128</u>
At 31 October 2018	<u>16,035</u>

#### Movements in fixed asset investments Company

	Shares in group undertakings £
<b>Cost or valuation</b>	
At 1 November 2018 and 31 December 2019	<u>595,673</u>
<b>Carrying amount</b>	
At 31 December 2019	<u>595,673</u>
At 31 October 2018	<u>595,673</u>

### 15 Subsidiaries

These financial statements are separate company financial statements for 31 December 2019.

Details of the company's subsidiaries at 31 December 2019 are as follows:

# BF INTER LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2019

### 15 Subsidiaries

(Continued)

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct Indirect
Blackfinch Corporate Services Limited	England and Wales	Financial facilities	Ordinary	- 100.00
Blackfinch Financial Limited	England and Wales	Financial services	Ordinary	- 100.00
Blackfinch Group Limited	England and Wales	Non trading holding company	Ordinary	100.00 -
Blackfinch Investments Limited	England and Wales	Agency services for investment products	Ordinary	- 100.00
Origin Investments Limited	England and Wales	Financial brokering services	Ordinary	- 100.00
rsc Solutions Ltd	England and Wales	Office and facilities management	Ordinary	- 100.00
Blackfinch Adaptations plc	England & Wales	Dormant	Ordinary	- 100.00
Blackfinch Holdings Limited	England and Wales	Financial investments	Ordinary	- 100.00

### 16 Debtors

	Group 2019 £	2018 £	Company 2019 £	2018 £
<b>Amounts falling due within one year:</b>				
Trade debtors	101,654	17,923	-	-
Amounts owed by group undertakings	-	-	692,872	-
Other debtors	2,163,324	3,209,309	2,149,730	3,207,632
Prepayments and accrued income	1,071,601	80,527	-	-
	<u>3,336,579</u>	<u>3,307,759</u>	<u>2,842,602</u>	<u>3,207,632</u>

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

	Notes	Group 2019 £	2018 £	Company 2019 £	2018 £
Bank loans	19	11,145	-	-	-
Obligations under finance leases	20	25,455	9,358	-	-
Payments received on account		278,542	-	-	-
Trade creditors		301,469	179,835	-	-
Amounts owed to group undertakings		-	-	3,341,839	3,765,830
Corporation tax payable		1,375,296	412,931	12,019	8,796
Other taxation and social security		183,677	212,006	-	-
Government grants		4,500	4,500	-	-
Other creditors		35,182	12,703	-	-
Accruals and deferred income		1,134,409	1,277,797	7,500	3,000
		<u>3,349,675</u>	<u>2,109,130</u>	<u>3,361,358</u>	<u>3,777,626</u>

# BF INTER LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2019

### 18 Creditors: amounts falling due after more than one year

	Notes	Group 2019 £	2018 £	Company 2019 £	2018 £
Bank loans and overdrafts	19	488,355	-	-	-
Obligations under finance leases	20	141,392	48,457	-	-
		<u>629,747</u>	<u>48,457</u>	<u>-</u>	<u>-</u>

Amounts included above which fall due after five years are as follows:

Payable by instalments	429,799	-	-	-
	<u>429,799</u>	<u>-</u>	<u>-</u>	<u>-</u>

### 19 Loans and overdrafts

	Group 2019 £	2018 £	Company 2019 £	2018 £
Bank loans	499,500	-	-	-
	<u>499,500</u>	<u>-</u>	<u>-</u>	<u>-</u>
Payable within one year	11,145	-	-	-
Payable after one year	488,355	-	-	-
	<u>499,500</u>	<u>-</u>	<u>-</u>	<u>-</u>

#### Bank Overdraft

The group has granted an unlimited monies guarantee in favour of Lloyds Bank Plc together with other such security as the bank may from time to time hold for the debts and liabilities of the guarantor dated 21 November 2006 and 11 June 2009.

#### Bank Loans

The long-term loans are secured by fixed charges over the property at 1145 Regent Court,

The loan is also secured by a series of fixed and floating charges over all the assets on Blackfinch Investments Limited a fellow subsidiary of Blackfinch Group Limited.

The loan is over a period of 25 years and interest is charged at base rate plus 2.5% per annum.

# BF INTER LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2019

### 20 Finance lease obligations

	Group 2019 £	2018 £	Company 2019 £	2018 £
Future minimum lease payments due under finance leases:				
Within one year	32,553	11,529	-	-
In two to five years	146,980	48,918	-	-
	<u>179,533</u>	<u>60,447</u>	<u>-</u>	<u>-</u>
Less: future finance charges	(12,686)	(2,632)	-	-
	<u>166,847</u>	<u>57,815</u>	<u>-</u>	<u>-</u>

Finance lease payments represent rentals payable by the company or group for purchase of an electric motor vehicle. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 4 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

### 21 Deferred taxation

Deferred tax assets and liabilities are offset where the group or company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2019 £	Liabilities 2018 £
<b>Group</b>		
Accelerated capital allowances	<u>26,840</u>	<u>11,772</u>

The company has no deferred tax assets or liabilities.

	Group 2019 £	Company 2019 £
<b>Movements in the period:</b>		
Liability at 1 November 2018	11,772	-
Charge to profit or loss	15,068	-
Liability at 31 December 2019	<u>26,840</u>	<u>-</u>

The deferred tax liability set out above is expected to reverse within 36 months and relates to accelerated capital allowances that are expected to mature within the same period.

The deferred tax liability reversal for the next 12 months is £11,081 (2018 : £ 3,531)



# BF INTER LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2019

### 22 Retirement benefit schemes

	2019	2018
	£	£
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	133,436	50,871

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

### 23 Share capital

	Group and company	
	2019	2018
<b>Issued and fully paid</b>		
510 Ordinary A shares of £1 each	510	510
225 Ordinary B shares of £1 each	225	225
185 Ordinary C shares of £1 each	185	185
20 Ordinary D shares of £1 each	20	20
20 Ordinary E shares of £1 each	20	20
20 Ordinary F shares of £1 each	20	20
20 Ordinary G shares of £1 each	20	20
	1,000	1,000

All classes of shares shall rank pari passu on a return of capital whether on winding up or dissolution. Every holder of A,B,C,D,E,F,G shares shall have one vote for every share they hold.

### 24 Financial commitments, guarantees and contingent liabilities

The subsidiary companies of the BF Inter Ltd group have a contingent liability on arrangement fees estimated at £1,300,000, if the terms of the agreement are not satisfied.

The subsidiary company Blackfinch Investments Limited is also a guarantor for their product investment companies.

# BF INTER LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2019

### 25 Operating lease commitments

#### Lessee

Operating lease payments represent rentals payable by the group for rental of the properties and office equipment. Leases for property rental are negotiated for an average term of 4 years, rentals payable by the group for its office equipment are negotiated for an average term of 5 years.

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2019 £	2018 £	Company 2019 £	2018 £
Within one year	248,529	165,686	-	-
Between two and five years	439,046	487,940	-	-
	<u>687,575</u>	<u>653,626</u>	<u>-</u>	<u>-</u>

### 26 Directors' transactions

Advances or credits have been granted by the group to its directors as follows:

Description	% Rate	Opening balance £	Amounts advanced £	Interest charged £	Amounts repaid £	Closing balance £
Mr R J Cook - loan	2.50	1,038,592	1,964,500	50,296	(1,038,592)	2,014,796
Mr R L Simmonds - loan	2.50	1,275,463	108,000	26,934	(1,275,463)	134,934
		<u>2,314,055</u>	<u>2,072,500</u>	<u>77,230</u>	<u>(2,314,055)</u>	<u>2,149,730</u>

Dividends totalling £7,794,637 (2018 - £1,091,621) were paid in the period in respect of shares held by the company's directors to their personal companies.

### 27 Controlling party

The ultimate controlling party is Mr R Cook who owns 55% of the share capital.

# BF INTER LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2019

### 28 Cash generated from group operations

	2019 £	2018 £
Profit for the year after tax	6,793,245	2,212,197
Adjustments for:		
Taxation charged	1,402,999	511,852
Finance costs	12,797	6,274
Investment income	(80,850)	(57,501)
Amortisation and impairment of intangible assets	31,487	26,989
Depreciation and impairment of tangible fixed assets	214,528	68,783
Movements in working capital:		
(Increase)/decrease in debtors	(193,145)	(764,371)
Increase/(decrease) in creditors	250,938	1,291,422
(Decrease)/increase in deferred income	-	4,500
<b>Cash generated from operations</b>	<b>8,431,999</b>	<b>3,300,145</b>

### 29 Cash (absorbed by)/generated from operations - company

	2019 £	2018 £
Profit for the period after tax	7,845,875	1,132,003
Adjustments for:		
Taxation charged	12,019	8,796
Finance costs	1,973	4,838
Investment income	(7,871,867)	(1,148,883)
Movements in working capital:		
Decrease/(increase) in debtors	200,706	(893,578)
(Decrease)/increase in creditors	(419,491)	2,350,852
<b>Cash (absorbed by)/generated from operations</b>	<b>(230,785)</b>	<b>1,454,028</b>

### 30 Analysis of changes in net funds/(debt) - group

	1 November 2018 £	Cash flows £	31 December 2019 £
Cash at bank and in hand	592,611	(48,554)	544,057
Borrowings excluding overdrafts	-	(499,500)	(499,500)
Obligations under finance leases	(57,815)	(109,032)	(166,847)
	<b>534,796</b>	<b>(657,086)</b>	<b>(122,290)</b>