

Company Registration No. 10369765 (England and Wales)

BF INTER LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2018



BF INTER LTD

COMPANY INFORMATION

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

BF INTER LTD

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BF INTER LTD

STRATEGIC REPORT

FOR THE YEAR ENDED 31 OCTOBER 2018

The directors present the strategic report for the year ended 31 October 2018.

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 results for the group show a pre tax profit of £2,724,049 for the year (2017 : £1,491,405 pre tax profit for the year).

The shareholder's funds amount to a surplus of £2,251,161 (2017 : £1,131,585 surplus).

The group has developed new products and services and expanded its distribution network to exploit these opportunities. As such, the directors expect the group to continue to develop new opportunities and focus on growth of revenue streams.

The board is satisfied with the overall performance of the of the group this year and expects revenues to grow modestly in the next year.

Principal risks and uncertainties

The board works closely with the heads of operations, legal, investment management and distribution to manage the key areas of risk to the group.

Linked to the products and services which the group provides are various legislative risks surrounding statutory tax legislation; the group maintains regular dialogue with accountancy, tax and legal advisers to ensure that the group has a thorough understanding of tax legislation and the changes as they occur.

The group maintains rigid processes and a disaster recovery programme to maintain business continuity, The group continues to develop in-house systems to ensure that our services can be maintained to a professional and compliant level.

The group has agreements to provide services to businesses which look likely to require these services for the foreseeable future.

On behalf of the board



Mr R J Cook

Director

19 February 2019

BF INTER LTD

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 OCTOBER 2018

The directors present their annual report and financial statements for the year ended 31 October 2018.

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 year 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 year are set out on page 6.

Ordinary dividends were paid amounting to £1,091,621. The directors do not recommend payment of a further dividend.

Auditor

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

Statement of disclosure to auditor

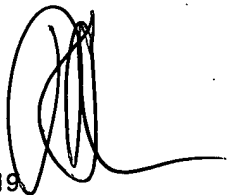
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order 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

19 February 2019

A handwritten signature in black ink, appearing to be 'R J Cook', written over a circular stamp or seal.

BF INTER LTD

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 OCTOBER 2018

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

Opinion

We have audited the financial statements of BF Inter Ltd (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 October 2018 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 October 2018 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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.

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

BF INTER LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF BF INTER LTD

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.

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

19 February 2019

Chartered Accountants
Statutory Auditor

BF INTER LTD

GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 OCTOBER 2018

	Notes	2018 £	2017 £
Turnover	3	8,156,174	4,072,540
Cost of sales		(68,038)	(26,220)
Gross profit		8,088,136	4,046,320
Administrative expenses		(5,415,314)	(2,544,355)
Operating profit	4	2,672,822	1,501,965
Interest receivable and similar income	7	57,501	17,668
Interest payable and similar expenses	8	(6,274)	(28,228)
Profit before taxation		2,724,049	1,491,405
Tax on profit	9	(511,852)	(310,280)
Profit for the financial year		2,212,197	1,181,125

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

Total comprehensive income for the year 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.

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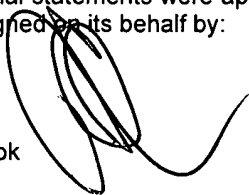
GROUP BALANCE SHEET

AS AT 31 OCTOBER 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Goodwill	11		212,533		239,522
Tangible assets	12		292,582		26,773
Investments	13		16,035		-
			<u>521,150</u>		<u>266,295</u>
Current assets					
Debtors	16	3,307,759		1,328,778	
Cash at bank and in hand		592,611		418,592	
		<u>3,900,370</u>		<u>1,747,370</u>	
Creditors: amounts falling due within one year	17	(2,109,130)		(882,080)	
Net current assets			<u>1,791,240</u>		<u>865,290</u>
Total assets less current liabilities			<u>2,312,390</u>		<u>1,131,585</u>
Creditors: amounts falling due after more than one year	18		(48,457)		-
Provisions for liabilities	21		(11,772)		-
Net assets			<u><u>2,252,161</u></u>		<u><u>1,131,585</u></u>
Capital and reserves					
Called up share capital	24		1,000		1,000
Profit and loss reserves			2,251,161		1,130,585
Total equity			<u><u>2,252,161</u></u>		<u><u>1,131,585</u></u>

The financial statements were approved by the board of directors and authorised for issue on 19 February 2019 and are signed on its behalf by:

Mr R J Cook
Director



BF INTER LTD

COMPANY BALANCE SHEET

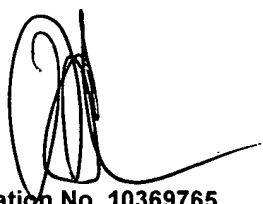
AS AT 31 OCTOBER 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Investments	13		595,673		595,673
Current assets					
Debtors	16	3,207,632		1,082,293	
Creditors: amounts falling due within one year	17	(3,777,626)		(1,692,669)	
Net current liabilities			(569,994)		(610,376)
Total assets less current liabilities			25,679		(14,703)
Capital and reserves					
Called up share capital	24		1,000		1,000
Profit and loss reserves			24,679		(15,703)
Total equity			25,679		(14,703)

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 year was £1,132,003 (2017 - £9,596 loss).

The financial statements were approved by the board of directors and authorised for issue on 19 February 2019 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 YEAR ENDED 31 OCTOBER 2018

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 November 2016		1,000	(50,540)	(49,540)
Period ended 31 October 2017:				
Profit and total comprehensive income for the period		-	1,181,125	1,181,125
Balance at 31 October 2017		1,000	1,130,585	1,131,585
Year ended 31 October 2018:				
Profit and total comprehensive income for the year		-	2,212,197	2,212,197
Dividends	10	-	(1,091,621)	(1,091,621)
Balance at 31 October 2018		1,000	2,251,161	2,252,161

BF INTER LTD

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 OCTOBER 2018

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 November 2016		1,000	(6,107)	(5,107)
Period ended 31 October 2017:				
Loss and total comprehensive income for the period		-	(9,596)	(9,596)
Balance at 31 October 2017		1,000	(15,703)	(14,703)
Year ended 31 October 2018:				
Profit and total comprehensive income for the year		-	1,132,003	1,132,003
Dividends	10	-	(1,091,621)	(1,091,621)
Balance at 31 October 2018		1,000	24,679	25,679

BF INTER LTD

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 OCTOBER 2018

	Notes	2018 £	£	2017 £	£
Cash flows from operating activities					
Cash generated from operations	29	3,300,145		1,466,807	
Interest paid		(6,274)		(28,228)	
Income taxes paid		(286,468)		(55,864)	
Net cash inflow from operating activities		<u>3,007,403</u>		<u>1,382,715</u>	
Investing activities					
Purchase of tangible fixed assets		(264,742)		(19,352)	
Purchase of fixed asset investments		(16,035)		-	
Directors loans		(1,231,761)		(1,082,293)	
Interest received		<u>57,501</u>		<u>17,668</u>	
Net cash used in investing activities		<u>(1,455,037)</u>		<u>(1,083,977)</u>	
Financing activities					
Repayment of borrowings		(274,691)		(95,622)	
Payment of finance leases obligations		(12,035)		-	
Dividends paid to equity shareholders		<u>(1,091,621)</u>		<u>-</u>	
Net cash used in financing activities		<u>(1,378,347)</u>		<u>(95,622)</u>	
Net increase in cash and cash equivalents		<u>174,019</u>		<u>203,116</u>	
Cash and cash equivalents at beginning of year		<u>418,592</u>		<u>215,476</u>	
Cash and cash equivalents at end of year		<u><u>592,611</u></u>		<u><u>418,592</u></u>	

BF INTER LTD

COMPANY STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 OCTOBER 2018

	Notes	2018 £	£	2017 £	£
Cash flows from operating activities					
Cash generated from operations	30	1,454,028		1,182,003	
Interest paid		(4,838)		(24,067)	
Income taxes (paid)/refunded		-		2,311	
Net cash inflow from operating activities		<u>1,449,190</u>		<u>1,160,247</u>	
Investing activities					
Directors loans		(1,231,761)		(1,082,293)	
Interest received		57,262		17,668	
Net cash used in investing activities		<u>(1,174,499)</u>		<u>(1,064,625)</u>	
Financing activities					
Repayment of borrowings		(274,691)		(95,622)	
Net cash used in financing activities		<u>(274,691)</u>		<u>(95,622)</u>	
Net increase in cash and cash equivalents		<u>-</u>		<u>-</u>	
Cash and cash equivalents at beginning of year		-		-	
Cash and cash equivalents at end of year		<u><u>-</u></u>		<u><u>-</u></u>	

BF INTER LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2018

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 October 2018. 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.

Blackfinch Group Limited and fellow subsidiaries have been included in the group financial statements using the purchase method of accounting. Accordingly, the group profit and loss account and statement of cash flows include the results and cash flows of Blackfinch Group Limited and fellow subsidiaries for the period from its acquisition on 14th September 2016. The purchase consideration has been allocated to the assets and liabilities on the basis of fair value at the date of acquisition.

1.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the 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.

BF INTER LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

1 Accounting policies

(Continued)

1.4 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.

1.5 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.

1.6 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:

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.

1.7 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.

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.

BF INTER LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

1 Accounting policies

(Continued)

1.8 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.

1.9 Cash at bank and in hand

Cash at bank and in hand 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.

1.10 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.

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.

BF INTER LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

1 Accounting policies

(Continued)

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.

1.11 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.

1.12 Taxation

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

BF INTER LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

1 Accounting policies

(Continued)

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.

1.13 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.

1.14 Retirement benefits

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

1.15 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 the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income 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 lease asset are consumed.

BF INTER LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

1 Accounting policies

(Continued)

1.16 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.

1.17 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 are included in the profit and loss account for the period.

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:

	2018 £	2017 £
Turnover analysed by class of business		
Arrangement and monitoring fees	4,424,267	1,571,202
Management and administration fees	892,906	426,547
Sales fees	1,626,474	1,603,459
Investment management fees	989,236	435,328
Rent receivable	42,550	15,300
Other commission	10,695	20,704
Legal fees	84,023	-
Exit fees	75,418	-
Other income	10,605	-
	<u>8,156,174</u>	<u>4,072,540</u>
	2018 £	2017 £
Other significant revenue		
Interest income	<u>57,501</u>	<u>17,668</u>

BF INTER LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

3 Turnover and other revenue (Continued)

	2018 £	2017 £
Turnover analysed by geographical market		
UK sales	8,156,174	4,072,540

4 Operating profit

	2018 £	2017 £
Operating profit for the year is stated after charging:		
Exchange losses	300	50
Depreciation of owned tangible fixed assets	68,783	18,200
Amortisation of intangible assets	26,989	26,989
Operating lease charges	154,348	37,362

5 Auditor's remuneration

	2018 £	2017 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	3,246	5,508
Audit of the company's subsidiaries	34,701	16,760
	37,947	22,268

6 Employees

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

	Group 2018 Number	2017 Number	Company 2018 Number	2017 Number
Administrative	70	37	-	-
Directors	2	2	2	2
	72	39	2	2

BF INTER LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

6 Employees

(Continued)

Their aggregate remuneration comprised:

	Group 2018 £	2017 £	Company 2018 £	2017 £
Wages and salaries	3,009,607	1,347,628	-	-
Social security costs	342,004	141,031	-	-
Pension costs	50,871	14,218	-	-
	<u>3,402,482</u>	<u>1,502,877</u>	<u>-</u>	<u>-</u>

7 Interest receivable and similar income

	2018 £	2017 £
Interest income		
Interest on bank deposits	8	-
Other interest income	57,493	17,668
Total income	<u>57,501</u>	<u>17,668</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	<u>8</u>	<u>-</u>
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8 Interest payable and similar expenses

	2018 £	2017 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	806	4,093
Interest on finance leases and hire purchase contracts	630	-
Other interest on financial liabilities	4,838	24,135
	<u>6,274</u>	<u>28,228</u>

BF INTER LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

9 Taxation

	2018 £	2017 £
Current tax		
UK corporation tax on profits for the current period	482,930	217,778
Adjustments in respect of prior periods	-	1,399
Total current tax	<u>482,930</u>	<u>219,177</u>
Deferred tax		
Origination and reversal of timing differences	28,922	91,103
Total tax charge	<u>511,852</u>	<u>310,280</u>

On the 1st April 2017 the corporation tax rate changed from 20% to 19%.

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

	2018 £	2017 £
Profit before taxation	<u>2,724,049</u>	<u>1,491,405</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2017: 19.41%)	517,569	289,537
Tax effect of expenses that are not deductible in determining taxable profit	16,403	11,360
Tax effect of utilisation of tax losses not previously recognised	(548)	-
Effect of change in corporation tax rate	-	3,563
Depreciation on assets not qualifying for tax allowances	522	1,475
Amortisation on assets not qualifying for tax allowances	5,128	5,238
Under/(over) provided in prior years	-	1,399
Unutilised NTLR losses carried forward	-	(2,542)
Capital allowances in excess of depreciation	(27,222)	(2,141)
Tax expense for the year	<u>511,852</u>	<u>307,889</u>

10 Dividends

	2018 £	2017 £
Final paid	<u>1,091,621</u>	<u>-</u>

BF INTER LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2018

11 Intangible fixed assets

Group	Goodwill arising on consolidation
	£
Cost	
At 1 November 2017 and 31 October 2018	269,885
Amortisation and impairment	
At 1 November 2017	30,363
Amortisation charged for the year	26,989
At 31 October 2018	57,352
Carrying amount	
At 31 October 2018	212,533
At 31 October 2017	239,522

The company had no intangible fixed assets at 31 October 2018 or 31 October 2017.

12 Tangible fixed assets

Group	Improvements to leasehold buildings	Fixtures and fittings	Computers	Motor vehicles	Total
	£	£	£	£	£
Cost on acquisition					
At 1 November 2017	-	21,594	18,933	-	40,527
Additions	65,187	89,599	105,456	74,350	334,592
At 31 October 2018	65,187	111,193	124,389	74,350	375,119
Depreciation and impairment on acquisition					
At 1 November 2017	-	8,324	5,430	-	13,754
Depreciation charged in the year	2,747	25,010	28,636	12,390	68,783
At 31 October 2018	2,747	33,334	34,066	12,390	82,537
Carrying amount					
At 31 October 2018	62,440	77,859	90,323	61,960	292,582
At 31 October 2017	-	13,270	13,503	-	26,773

The company had no tangible fixed assets at 31 October 2018 or 31 October 2017.

BF INTER LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

13 Fixed asset investments

	Notes	Group 2018 £	2017 £	Company 2018 £	2017 £
Investments in subsidiaries	14	-	-	595,673	595,673
Unlisted investments		16,035	-	-	-
		<u>16,035</u>	<u>-</u>	<u>595,673</u>	<u>595,673</u>

Movements in fixed asset investments Group

	Investments other than loans £
Cost or valuation	
At 1 November 2017	-
Additions	16,035
At 31 October 2018	<u>16,035</u>
Carrying amount	
At 31 October 2018	<u>16,035</u>
At 31 October 2017	<u>-</u>

Movements in fixed asset investments Company

	Shares in group undertakings £
Cost or valuation	
At 1 November 2017 and 31 October 2018	<u>595,673</u>
Carrying amount	
At 31 October 2018	<u>595,673</u>
At 31 October 2017	<u>595,673</u>

BF INTER LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2018

14 Subsidiaries

Details of the company's subsidiaries at 31 October 2018 are as follows:

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

15 Financial instruments

	Group 2018 £	2017 £	Company 2018 £	2017 £
Carrying amount of financial assets				
Debt instruments measured at amortised cost	3,227,232	1,269,949	3,207,632	1,082,293
Equity instruments measured at cost less impairment	16,035	-	-	-
Carrying amount of financial liabilities				
Measured at amortised cost	1,528,150	527,942	3,768,830	1,692,669

16 Debtors

	Group 2018 £	2017 £	Company 2018 £	2017 £
Amounts falling due within one year:				
Trade debtors	17,923	174,312	-	-
Other debtors	3,209,309	1,098,780	3,207,632	1,082,293
Prepayments and accrued income	80,527	38,536	-	-
	3,307,759	1,311,628	3,207,632	1,082,293
Deferred tax asset (note 21)	-	17,150	-	-
	3,307,759	1,328,778	3,207,632	1,082,293

BF INTER LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

17 Creditors: amounts falling due within one year

	Notes	Group 2018 £	2017 £	Company 2018 £	2017 £
Obligations under finance leases	20	9,358	-	-	-
Other borrowings	19	-	274,691	-	274,691
Payments received on account		-	26,666	-	-
Trade creditors		179,835	74,452	-	-
Amounts owed to group undertakings		-	-	3,765,830	1,415,224
Corporation tax payable		412,931	217,778	8,796	-
Other taxation and social security		212,006	136,360	-	-
Government grants	22	4,500	-	-	-
Other creditors		12,703	2,846	-	-
Accruals and deferred income		1,277,797	149,287	3,000	2,754
		<u>2,109,130</u>	<u>882,080</u>	<u>3,777,626</u>	<u>1,692,669</u>

18 Creditors: amounts falling due after more than one year

	Notes	Group 2018 £	2017 £	Company 2018 £	2017 £
Obligations under finance leases	20	<u>48,457</u>	<u>-</u>	<u>-</u>	<u>-</u>

19 Loans and overdrafts

		Group 2018 £	2017 £	Company 2018 £	2017 £
Other loans		<u>-</u>	<u>274,691</u>	<u>-</u>	<u>274,691</u>
Payable within one year		<u>-</u>	<u>274,691</u>	<u>-</u>	<u>274,691</u>

BF INTER LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

19 Loans and overdrafts

(Continued)

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.

Other Loans

Other loans were repaid during the year and related to the following:

1) A £200,000 loan with Baldenhall Consulting Limited, a company in which there is a common director. Interest is charged at a rate of 7% per annum of which £3,467 (2017 £12,323) has been charged in the year. At the year end BF Inter Limited owed Baldenhall Consulting Limited £nil (2017 £161,618).

2) A £172,946 loan with Finanz Holding GmbH, a company in which there is a common director. Interest is charged at a rate of 7.5% per annum of which £1,371 (2017 £10,758) been charged in the year. At the year end BF Inter Limited owed Finanz Holding GmbH £nil (2017 £113,073).

20 Finance lease obligations

	Group 2018 £	2017 £	Company 2018 £	2017 £
Future minimum lease payments due under finance leases:				
Within one year	11,529	-	-	-
In two to five years	48,918	-	-	-
	<u>60,447</u>	<u>-</u>	<u>-</u>	<u>-</u>
Less: future finance charges	(2,632)	-	-	-
	<u>57,815</u>	<u>-</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.

BF INTER LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

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 2018 £	Liabilities 2017 £	Assets 2018 £	Assets 2017 £
Group				
Accelerated capital allowances	11,772	-	-	-
Tax losses	-	-	-	17,150
	<u>11,772</u>	<u>-</u>	<u>-</u>	<u>17,150</u>

The company has no deferred tax assets or liabilities.

	Group 2018 £	Company 2018 £
Movements in the year:		
Asset at 1 November 2017	(17,150)	-
Charge to profit or loss	28,922	-
	<u>11,772</u>	<u>-</u>

22 Government grants

The grant has been received in relation to the purchase of the electric motor vehicle and is released over 4 years.

23 Retirement benefit schemes

	2018 £	2017 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>50,871</u>	<u>14,218</u>

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.

BF INTER LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

24 Share capital

	Group and company	
	2018	2017
Issued and fully paid		
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
	<u>1,000</u>	<u>1,000</u>

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.

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		Company	
	2018	2017	2018	2017
	£	£	£	£
Within one year	165,686	2,320	-	-
Between two and five years	487,940	960	-	-
	<u>653,626</u>	<u>3,280</u>	<u>-</u>	<u>-</u>

BF INTER LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

26 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2018 £	2017 £
Aggregate compensation	508,006	377,910

Transactions with related parties

During the year there were transactions with companies the directors have a common interest in.

£646,000 was loaned to Stone Barn Consulting Ltd with interest charged at 2.5% totalling £7,913 and amounts owed at the year end were £653,913.

£239,534 was loaned to Baldenhall Consulting Ltd with interest charged at 2.5% totalling £131 and amounts owed at the year end were £239,665.

These amounts are included in other debtors.

27 Directors' transactions

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

Dividends totalling £1,091,621 (2017 - £0) were paid in the year in respect of shares held by the company's directors.

Description	% Rate	Opening balance £	Amounts advanced £	Interest charged £	Amounts repaid £	Closing balance £
Mr R J Cook - Directors loan	2.50	794,448	1,019,165	26,017	(801,038)	1,038,592
Mr R L Simmonds - Directors loan	2.50	287,845	1,255,000	23,201	(290,583)	1,275,463
		<u>1,082,293</u>	<u>2,274,165</u>	<u>49,218</u>	<u>(1,091,621)</u>	<u>2,314,055</u>

28 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 YEAR ENDED 31 OCTOBER 2018

29 Cash generated from group operations

	2018 £	2017 £
Profit for the year after tax	2,212,197	1,181,125
Adjustments for:		
Taxation charged	511,852	310,280
Finance costs	6,274	28,228
Investment income	(57,501)	(17,668)
Amortisation and impairment of intangible assets	26,989	26,989
Depreciation and impairment of tangible fixed assets	68,783	18,200
Movements in working capital:		
(Increase)/decrease in debtors	(764,371)	(116,423)
Increase/(decrease) in creditors	1,291,422	36,076
Increase in deferred income	4,500	-
Cash generated from operations	3,300,145	1,466,807

30 Cash generated from operations - company

	2018 £	2017 £
Profit/(loss) for the year after tax	1,132,003	(9,596)
Adjustments for:		
Taxation charged/(credited)	8,796	(2,311)
Finance costs	4,838	24,067
Investment income	(1,148,883)	(17,668)
Movements in working capital:		
(Increase) in debtors	(893,578)	-
Increase in creditors	2,350,852	1,187,511
Cash generated from operations	1,454,028	1,182,003