

Company Registration No. 10369765 (England and Wales)

BF INTER LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020



BF INTER LTD

COMPANY INFORMATION

Directors	R J Cook 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 DECEMBER 2020

The directors present the strategic report for the year ended 31 December 2020.

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 Brexit and Covid 19. The company raised a healthy level of new investment into the business, greater than the previous year. Over the course of 2020 the business progressed with projects aimed to diversify revenue streams and to widen our customer base and growth opportunity.

The results for the group show a pre tax profit of £4,038,052 for the year (2019 : £8,196,244 pre tax profit for the period).

The shareholder's funds amount to a surplus of £1,371,799 (2019 : £1,250,769 surplus).

Principal risks and uncertainties

Key risks relate to the nature of Brexit and the ongoing Covid 19 situation. 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'.

Section 172 (1) Statement

The directors have acted in a way that they considered, in good faith, to be the most likely to promote the success of BF Inter Ltd for the benefit of its stakeholders, and in doing so had regard, amongst other matters to:

- the likely consequences of any decision in the long term,
- the interests of the company's employees,
- the need to foster the company's business relationships with suppliers, customers and others,
- the impact of the company's operations on the community and the environment,
- the desirability of the company maintaining a reputation for high standards of business conduct, and
- the need to act fairly as between members of the company.

These matters were achieved by the directors in the following ways:

Long term view

The directors carry out a robust and thorough assessment of the risks faced by the company, this enables the strategic objectives and long-term viability of the company and allows it to remain in a healthy and stable condition.

Employees

Our employees are critical to the progression of the group moving forwards, we value every member and improve systems to enhance the working environment where possible. The working conditions under Covid-19 has allowed our teams to flexibly work from home and an enhanced employee benefits package is being rolled out in 2021.

BF INTER LTD

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Customers

We aim to deliver a truly outstanding customer experience that is clear, concise and provide a rewarding journey. We have made a portal which empowers our customers to obtain real time information and have efficient communication channels that enables strong business relationships.

Suppliers

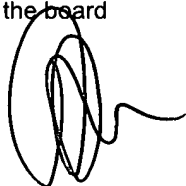
We aim to treat suppliers fairly and pay them within agreed timescales, holding ourselves to high standards of business conduct.

Community and environment

Environmental, social and governance (ESG) is a core pillar of the group's framework. We work to ensure that any impact on the environment is positive; that we always consider social responsibility; and that the group makes governance a priority.

On behalf of the board

R J Cook
Director

A handwritten signature in black ink, consisting of a large, stylized 'C' followed by a horizontal line and a small flourish.

25 June 2021

BF INTER LTD

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their annual report and financial statements for the year ended 31 December 2020.

Principal activities

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

Results and dividends

The results for the year are set out on page 9.

Ordinary dividends were paid amounting to £3,525,000. The directors do not recommend payment of a further dividend.

Directors

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

R J Cook
R L Simmonds

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.

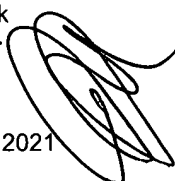
Statement of disclosure to auditor

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

R J Cook
Director

25 June 2021



BF INTER LTD

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2020

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 December 2020 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 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 2020 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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

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.

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 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 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

BF INTER LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF BF INTER LTD

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company and subsidiary undertakings through discussions with directors and management, and from our commercial knowledge and experience of the industry;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company and subsidiary undertakings, including the Companies Act 2006, taxation legislation, FCA regulation, data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the group's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations; and
- understanding the design of the group's remuneration policies.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates; and
- investigated the rationale behind significant or unusual transactions.

BF INTER LTD

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

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators such as the FCA and the group's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://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

25 June 2021

Chartered Accountants
Statutory Auditor

Granta Lodge
71 Graham Road
Malvern
Worcestershire
WR14 2JS

BF INTER LTD

GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

		Year ended 31 December 2020 £	Period ended 31 December 2019 £
	Notes		
Turnover	3	12,929,526	17,529,674
Cost of sales		(145,755)	(116,246)
Gross profit		12,783,771	17,413,428
Administrative expenses		(8,833,909)	(9,342,413)
Other operating income		87,162	57,176
Operating profit	4	4,037,024	8,128,191
Interest receivable and similar income	8	38,528	80,850
Interest payable and similar expenses	9	(37,500)	(12,797)
Profit before taxation		4,038,052	8,196,244
Tax on profit	10	(392,022)	(1,402,999)
Profit for the financial year		3,646,030	6,793,245

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.

BF INTER LTD

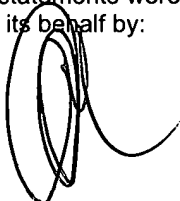
GROUP BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Goodwill	12		154,057		181,046
Tangible assets	13		986,878		1,089,221
Investments	14		136,243		106,128
			<u>1,277,178</u>		<u>1,376,395</u>
Current assets					
Debtors	16	2,821,326		3,336,579	
Cash at bank and in hand		171,525		544,057	
		<u>2,992,851</u>		<u>3,880,636</u>	
Creditors: amounts falling due within one year	17	(2,256,150)		(3,349,675)	
Net current assets			<u>736,701</u>		<u>530,961</u>
Total assets less current liabilities			<u>2,013,879</u>		<u>1,907,356</u>
Creditors: amounts falling due after more than one year	18		(629,568)		(629,747)
Provisions for liabilities	21		(12,512)		(26,840)
Net assets			<u><u>1,371,799</u></u>		<u><u>1,250,769</u></u>
Capital and reserves					
Called up share capital	23		1,000		1,000
Profit and loss reserves			<u>1,370,799</u>		<u>1,249,769</u>
Total equity			<u><u>1,371,799</u></u>		<u><u>1,250,769</u></u>

The financial statements were approved by the board of directors and authorised for issue on 25 June 2021 and are signed on its behalf by:

R J Cook
Director



BF INTER LTD

COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Investments	14		595,673		595,673
Current assets					
Debtors	16	3,217,879		2,842,602	
Cash at bank and in hand		436		-	
		<u>3,218,315</u>		<u>2,842,602</u>	
Creditors: amounts falling due within one year	17	<u>(3,712,466)</u>		<u>(3,361,358)</u>	
Net current liabilities			(494,151)		(518,756)
Total assets less current liabilities			<u>101,522</u>		<u>76,917</u>
Capital and reserves					
Called up share capital	23		1,000		1,000
Profit and loss reserves			100,522		75,917
Total equity			<u>101,522</u>		<u>76,917</u>

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 £3,549,606 (2019 - £7,845,875 profit).

The financial statements were approved by the board of directors and authorised for issue on 25 June 2021 and are signed on its behalf by:

R J Cook
Director



Company Registration No. 10369765

BF INTER LTD

GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 November 2018		1,000	2,251,161	2,252,161
Period ended 31 December 2019:				
Profit and total comprehensive income for the period		-	6,793,245	6,793,245
Dividends	11	-	(7,794,637)	(7,794,637)
Balance at 31 December 2019		1,000	1,249,769	1,250,769
Period ended 31 December 2020:				
Profit and total comprehensive income for the period		-	3,646,030	3,646,030
Dividends	11	-	(3,525,000)	(3,525,000)
Balance at 31 December 2020		1,000	1,370,799	1,371,799

BF INTER LTD

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 November 2018		1,000	24,679	25,679
Period ended 31 December 2019:				
Profit and total comprehensive income for the period		-	7,845,875	7,845,875
Dividends	11	-	(7,794,637)	(7,794,637)
Balance at 31 December 2019		1,000	75,917	76,917
Period ended 31 December 2020:				
Profit and total comprehensive income for the period		-	3,549,605	3,549,605
Dividends	11	-	(3,525,000)	(3,525,000)
Balance at 31 December 2020		1,000	100,522	101,522

BF INTER LTD

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash generated from operations	28	2,520,399		8,431,999	
Interest paid		(37,500)		(12,797)	
Income taxes paid		(868,430)		(425,566)	
Net cash inflow from operating activities		1,614,469		7,993,636	
Investing activities					
Purchase of tangible fixed assets		(82,990)		(364,981)	
Proceeds on disposal of tangible fixed assets		1,234		-	
Purchase of fixed asset investments		(30,115)		(90,093)	
Directors loans		1,587,735		164,325	
Interest received		38,528		80,850	
Net cash generated from/(used in) investing activities		1,514,392		(209,899)	
Financing activities					
Proceeds from borrowings		53,735		-	
Repayment of bank loans		(11,942)		(6,750)	
Payment of finance leases obligations		(84,640)		(30,904)	
Dividends paid to equity shareholders		(3,525,000)		(7,794,637)	
Net cash used in financing activities		(3,567,847)		(7,832,291)	
Net decrease in cash and cash equivalents		(438,986)		(48,554)	
Cash and cash equivalents at beginning of year		544,057		592,611	
Cash and cash equivalents at end of year		105,071		544,057	
Relating to:					
Cash at bank and in hand		171,525		544,057	
Bank overdrafts included in creditors payable within one year		(66,454)		-	

BF INTER LTD

COMPANY STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash absorbed by operations	29	(1,613,762)		(230,785)	
Interest paid		(46)		(1,973)	
Income taxes paid		(12,019)		(8,796)	
Net cash outflow from operating activities		(1,625,827)		(241,554)	
Investing activities					
Directors loans		1,587,735		164,324	
Interest received		38,528		77,230	
Net cash generated from investing activities		1,626,263		241,554	
Net cash used in financing activities		-		-	
Net increase in cash and cash equivalents		436		-	
Cash and cash equivalents at beginning of year		-		-	
Cash and cash equivalents at end of year		436		-	

BF INTER LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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 2020. 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

In the prior period the Group had 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 12 month period whereas the comparative figures are for a 14 month period.

BF INTER LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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 YEAR ENDED 31 DECEMBER 2020

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 YEAR ENDED 31 DECEMBER 2020

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 YEAR ENDED 31 DECEMBER 2020

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 YEAR ENDED 31 DECEMBER 2020

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:

	2020	2019
	£	£
Turnover analysed by class of business		
Arrangement and monitoring fees	6,694,152	11,834,019
Management and administration fees	2,506,438	1,738,806
Sales fees	1,756,045	1,750,236
Investment management fees	1,643,353	1,637,860
Rent receivable	126,915	133,883
Other commission	-	3,546
Legal fees	104,664	195,841
Exit fees	97,959	233,733
Other income	-	1,750
	<u>12,929,526</u>	<u>17,529,674</u>

BF INTER LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

3 Turnover and other revenue		(Continued)	
	2020 £	2019 £	
Other significant revenue			
Interest income	38,528	80,850	
Grants received	65,870	-	
	<u>104,398</u>	<u>80,850</u>	
	2020 £	2019 £	
Turnover analysed by geographical market			
UK sales	12,929,526	17,529,674	
	<u>12,929,526</u>	<u>17,529,674</u>	
4 Operating profit		2020 £	2019 £
Operating profit for the period is stated after charging/(crediting):			
Exchange losses	997	1,068	
Government grants	(65,870)	-	
Depreciation of owned tangible fixed assets	237,834	214,528	
Amortisation of intangible assets	26,989	31,487	
Operating lease charges	145,346	187,571	
	<u>344,296</u>	<u>434,654</u>	
5 Auditor's remuneration		2020 £	2019 £
Fees payable to the company's auditor and associates:			
For audit services			
Audit of the financial statements of the group and company	8,100	12,000	
Audit of the company's subsidiaries	44,620	42,558	
	<u>52,720</u>	<u>54,558</u>	

BF INTER LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

6 Employees

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

	Group 2020 Number	2019 Number	Company 2020 Number	2019 Number
Administrative	85	75	-	-
Directors	2	2	2	2
	<u>87</u>	<u>77</u>	<u>2</u>	<u>2</u>

Their aggregate remuneration comprised:

	Group 2020 £	2019 £	Company 2020 £	2019 £
Wages and salaries	5,554,687	5,318,188	-	-
Social security costs	637,720	617,403	-	-
Pension costs	155,433	133,436	-	-
	<u>6,347,840</u>	<u>6,069,027</u>	<u>-</u>	<u>-</u>

7 Directors' remuneration

	2020 £	2019 £
Remuneration for qualifying services	615,600	561,170
Company pension contributions to defined contribution schemes	24,468	22,098
	<u>640,068</u>	<u>583,268</u>

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

	2020 £	2019 £
Remuneration for qualifying services	374,300	331,337
Company pension contributions to defined contribution schemes	17,229	15,940
	<u>391,529</u>	<u>347,277</u>

BF INTER LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

8 Interest receivable and similar income

	2020	2019
	£	£
Interest income		
Other interest income	38,528	80,850
	<u>38,528</u>	<u>80,850</u>

9 Interest payable and similar expenses

	2020	2019
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	16,032	3,818
Other interest on financial liabilities	-	1,968
	<u>16,032</u>	<u>5,786</u>
Other finance costs:		
Interest on finance leases and hire purchase contracts	6,372	6,228
Other interest	15,096	783
	<u>21,468</u>	<u>7,011</u>
Total finance costs	<u>37,500</u>	<u>12,797</u>

BF INTER LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

10 Taxation

	2020 £	2019 £
Current tax		
UK corporation tax on profits for the current period	803,986	1,575,296
Adjustments in respect of prior periods	(397,636)	(187,365)
Total current tax	<u>406,350</u>	<u>1,387,931</u>
Deferred tax		
Origination and reversal of timing differences	<u>(14,328)</u>	<u>15,068</u>
Total tax charge	<u>392,022</u>	<u>1,402,999</u>

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

	2020 £	2019 £
Profit before taxation	<u>4,038,052</u>	<u>8,196,244</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	767,230	1,557,286
Tax effect of expenses that are not deductible in determining taxable profit	5,452	34,599
Depreciation on assets not qualifying for tax allowances	8,982	6,162
Amortisation on assets not qualifying for tax allowances	5,128	5,983
Research and development tax credit	(397,636)	(187,365)
Deferred tax not provided	2,866	(13,666)
Tax expense for the period	<u>392,022</u>	<u>1,402,999</u>

The adjustment in the prior year relates to research and development claims for 2019 and in 2019 for 2017 and 2018 claims.

11 Dividends

	2020 £	2019 £
Recognised as distributions to equity holders:		
Final paid	<u>3,525,000</u>	<u>7,794,637</u>

BF INTER LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

12 Intangible fixed assets

Group	Goodwill arising on consolidation
	£
Cost	
At 1 January 2020 and 31 December 2020	269,885
Amortisation and impairment	
At 1 January 2020	88,839
Amortisation charged for the year	26,989
At 31 December 2020	115,828
Carrying amount	
At 31 December 2020	154,057
At 31 December 2019	181,046

The company had no intangible fixed assets at 31 December 2020 or 31 December 2019.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

13 Tangible fixed assets

Group	Freehold land and buildings	Improvements to leasehold buildings	Fixtures and fittings	Computers	Motor vehicles	Total
	£	£	£	£	£	£
Cost on acquisition						
At 1 January 2020	711,932	88,341	132,687	220,040	233,286	1,386,286
Additions	-	36,264	4,236	42,490	53,735	136,725
Disposals	-	-	-	(2,984)	-	(2,984)
At 31 December 2020	711,932	124,605	136,923	259,546	287,021	1,520,027
Depreciation and impairment on acquisition						
At 1 January 2020	5,949	29,230	69,287	100,574	92,025	297,065
Depreciation charged in the year	14,235	33,038	30,748	74,732	85,081	237,834
Eliminated in respect of disposals	-	-	-	(1,750)	-	(1,750)
At 31 December 2020	20,184	62,268	100,035	173,556	177,106	533,149
Carrying amount						
At 31 December 2020	691,748	62,337	36,888	85,990	109,915	986,878
At 31 December 2019	705,983	59,111	63,400	119,466	141,261	1,089,221

The company had no tangible fixed assets at 31 December 2020 or 31 December 2019

BF INTER LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

14 Fixed asset investments

	Notes	Group 2020 £	2019 £	Company 2020 £	2019 £
Investments in subsidiaries	15	-	-	595,673	595,673
Unlisted investments		136,243	106,128	-	-
		<u>136,243</u>	<u>106,128</u>	<u>595,673</u>	<u>595,673</u>

Movements in fixed asset investments Group

	Investments other than loans £
Cost or valuation	
At 1 January 2020	106,128
Additions	30,115
At 31 December 2020	<u>136,243</u>
Carrying amount	
At 31 December 2020	<u>136,243</u>
At 31 December 2019	<u>106,128</u>

Movements in fixed asset investments Company

	Shares-in group undertakings £
Cost or valuation	
At 1 January 2020 and 31 December 2020	<u>595,673</u>
Carrying amount	
At 31 December 2020	<u>595,673</u>
At 31 December 2019	<u>595,673</u>

15 Subsidiaries

Details of the company's subsidiaries at 31 December 2020 are as follows:

BF INTER LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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 2020	2019	Company 2020	2019
Amounts falling due within one year:	£	£	£	£
Trade debtors	204,935	101,654	-	-
Amounts owed by group undertakings	-	-	1,268,696	692,872
Other debtors	1,982,277	2,163,324	1,949,183	2,149,730
Prepayments and accrued income	634,114	1,071,601	-	-
	<u>2,821,326</u>	<u>3,336,579</u>	<u>3,217,879</u>	<u>2,842,602</u>

17 Creditors: amounts falling due within one year

	Notes	Group 2020	2019	Company 2020	2019
		£	£	£	£
Bank loans and overdrafts	19	80,393	11,145	-	-
Obligations under finance leases	20	33,728	25,455	-	-
Payments received on account		248,811	278,542	-	-
Trade creditors		148,346	301,469	-	-
Amounts owed to group undertakings		-	-	3,698,894	3,341,839
Corporation tax payable		913,216	1,375,296	5,772	12,019
Other taxation and social security		500,767	183,677	-	-
Government grants		4,500	4,500	-	-
Other creditors		41,109	35,182	-	-
Accruals and deferred income		285,280	1,134,409	7,800	7,500
		<u>2,256,150</u>	<u>3,349,675</u>	<u>3,712,466</u>	<u>3,361,358</u>

BF INTER LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

18 Creditors: amounts falling due after more than one year

	Notes	Group 2020 £	2019 £	Company 2020 £	2019 £
Bank loans and overdrafts	19	473,619	488,355	-	-
Obligations under finance leases	20	155,949	141,392	-	-
		<u>629,568</u>	<u>629,747</u>	<u>-</u>	<u>-</u>

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

Payable by instalments	413,908	429,799	-	-
	<u>413,908</u>	<u>429,799</u>	<u>-</u>	<u>-</u>

19 Loans and overdrafts

	Group 2020 £	2019 £	Company 2020 £	2019 £
Bank loans	487,558	499,500	-	-
Bank overdrafts	66,454	-	-	-
	<u>554,012</u>	<u>499,500</u>	<u>-</u>	<u>-</u>
Payable within one year	80,393	11,145	-	-
Payable after one year	473,619	488,355	-	-
	<u>554,012</u>	<u>499,500</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 subsidiary undertaking 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 YEAR ENDED 31 DECEMBER 2020

20 Finance lease obligations

	Group 2020 £	2019 £	Company 2020 £	2019 £
Future minimum lease payments due under finance leases:				
Within one year	41,424	32,553	-	-
In two to five years	164,590	146,980	-	-
	<u>206,014</u>	<u>179,533</u>	<u>-</u>	<u>-</u>
Less: future finance charges	(16,337)	(12,686)	-	-
	<u>189,677</u>	<u>166,847</u>	<u>-</u>	<u>-</u>

Finance lease payments represent rentals payable by the company or group for purchase of motor vehicles. 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 2020 £	Liabilities 2019 £
Group		
Accelerated capital allowances	<u>12,512</u>	<u>26,840</u>

The company has no deferred tax assets or liabilities.

	Group 2020 £	Company 2020 £
Movements in the year:		
Liability at 1 January 2020	26,840	-
Credit to profit or loss	(14,328)	-
	<u>12,512</u>	<u>-</u>
Liability at 31 December 2020	<u>12,512</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.

BF INTER LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

22 Retirement benefit schemes

	2020	2019
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	155,433	133,436

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	
	2020	2019
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
	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 YEAR ENDED 31 DECEMBER 2020

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 2020 £	2019 £	Company 2020 £	2019 £
Within one year	247,372	248,529	-	-
Between two and five years	191,674	439,046	-	-
	<u>439,046</u>	<u>687,575</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 £
R J Cook - loan	2.50	2,014,796	526,000	35,995	(2,014,796)	561,995
R L Simmonds - loan	2.50	134,934	-	2,533	(137,467)	-
		<u>2,149,730</u>	<u>526,000</u>	<u>38,528</u>	<u>(2,152,263)</u>	<u>561,995</u>

Dividends totalling £3,525,000 (2019 - £7,794,637) were paid in the year in respect of shares held by the company's directors to their personal companies.

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

At the year end the amount owed from Stone Barn Consulting Ltd was £664,920.

At the year end the amount owed from Baldenhall Consulting Ltd was £722,268.

These amounts are included in other debtors.

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 YEAR ENDED 31 DECEMBER 2020

28 Cash generated from group operations

	2020 £	2019 £
Profit for the year after tax	3,646,030	6,793,245
Adjustments for:		
Taxation charged	392,022	1,402,999
Finance costs	37,500	12,797
Investment income	(38,528)	(80,850)
Amortisation and impairment of intangible assets	26,989	31,487
Depreciation and impairment of tangible fixed assets	237,834	214,528
Movements in working capital:		
(Increase)/decrease in debtors	(1,072,482)	(193,145)
Increase/(decrease) in creditors	(708,966)	250,938
Cash generated from operations	2,520,399	8,431,999

29 Cash absorbed by operations - company

	2020 £	2019 £
Profit for the year after tax	3,549,605	7,845,875
Adjustments for:		
Taxation charged	5,772	12,019
Finance costs	46	1,973
Investment income	(3,563,528)	(7,871,867)
Movements in working capital:		
(Increase)/decrease in debtors	(1,963,012)	200,706
Increase/(decrease) in creditors	357,355	(419,491)
Cash absorbed by operations	(1,613,762)	(230,785)

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

30 Analysis of changes in net debt - group

	1 January 2020 £	Cash flows £	31 December 2020 £
Cash at bank and in hand	544,057	(372,532)	171,525
Bank overdrafts	-	(66,454)	(66,454)
	<u>544,057</u>	<u>(438,986)</u>	<u>105,071</u>
Borrowings excluding overdrafts	(499,500)	11,942	(487,558)
Obligations under finance leases	(166,847)	(22,830)	(189,677)
	<u>(122,290)</u>	<u>(449,874)</u>	<u>(572,164)</u>