

Company number 2706280

BFSL Limited
Annual Report and Financial Statements
Year Ended 30 June 2017

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BFSL Limited

Year ended 30 June 2017

Annual report and financial statements

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Directors

MO Donaldson
DJ Platt

Secretary and registered office

P Waters
Pegasus House
Bakewell Road
Orton Southgate
Peterborough
PE2 6YS

Auditor

KPMG LLP
15 Canada Square
London
E14 5GL

BFSL Limited

Year ended 30 June 2017

Strategic report

The directors present the strategic report for the year ended 30 June 2017.

Results and dividends

The annual results of BFSL Limited, company number 2706280 ("the Company") are set out on page 9 and show a profit before taxation of £8,648,000 (2016: £760,000). The directors have reviewed the performance for the year and are confident of future prospects.

The directors do not recommend the payment of a dividend (2016: £nil).

Principal activity, trading review and future developments

The Company's principal activity is that of providing credit relating to financial services. During the prior year the Company obtained full permission from the Financial Conduct Authority ("FCA") for providing such services.

The Company shares resources with fellow subsidiaries of BGL (Holdings) Limited ("the BGL Group"). In order to improve operating efficiencies within the business, personnel and infrastructure services are provided by BGL Group Limited to the Company, which raises a management charge in respect of all services provided.

Key performance indicators

	2017	2016	Movement
	£000s	£000s	£000s
Revenue	59,986	36,120	23,866
Operating profit	13,484	7,528	5,956
Profit before taxation	8,648	760	7,888

The revenue increase of £23,866,000 results from £243,000 actual reduction in trading income in the year and a £24,109,000 adjustment to revenue in the prior year that related to a change in the allocation of deferred revenue between group companies.

The Company's working capital position remains strong and the monthly cash flow cycle enables the Company to operate without any significant levels of long-term debt.

Risks and uncertainties

Risks of the Company are managed at a group level by BGL (Holdings) Limited.

The BGL Group has in place a risk management framework that seeks to identify and limit potential adverse effects on the financial performance of the BGL Group and achievement of its objectives.

The BGL (Holdings) Limited board of directors ("the BGL Board") reviews its risk appetite annually and a risk management framework is established. Risk is assessed within each area of the business and a Group-wide risk report is produced for the relevant Board committees.

The BGL Board reviews the implementation of processes for identifying, measuring, managing and controlling financial risks and receives and commissions reports in relation to risk management activities.

The risks set out below are monitored using the BGL Group's risk management framework and through established levels of management review, from the board of directors of the Company, through to the Executive Committee and business unit executive meetings.

Financial risks

The BGL Group's multi-national operations and debt financing expose it to a variety of financial risks that include the effects of changes in debt market prices, foreign currency exchange rates, credit risks, liquidity and interest rates. The BGL Group has in place a risk management framework as described above, using derivative financial instruments where appropriate.

BFSL Limited

Year ended 30 June 2017

Strategic report

The use of derivative financial instruments is governed by the BGL Group's policies approved by the BGL Board, which provide principles on the use of these instruments consistent with the BGL Group's risk management strategy. The BGL Group does not use derivative financial instruments for speculative purposes.

Operational risk

The BGL Group recognises the need to maintain people, organisational structures, systems, processes and infrastructure to support current operations and the on-going growth of the business. The BGL Group monitors these risks on an on-going basis and has taken specific steps to manage them.

Key sources of operational risk include business partner and supplier management, data security, change management, business continuity, and fraud and financial crime.

People risk

Key sources of people risk arise from BGL Group's resourcing, skills and competence requirements, key person dependency and its approach to reward and recognition. The BGL Group seeks to address these people risks through on-going planning and proactive risk management.

Technology risk

The BGL Group has in place processes to manage the design, availability, capacity, performance, infrastructure failure, integrity and security of its technology assets to support both the current operations of the business and future change requirements.

Conduct risk

Conduct risk is the risk that the BGL Group's business model, product design or sales practices do not deliver good customer outcomes and meet customer needs. The BGL Group has in place a clearly defined framework of controls to manage conduct risk.

Conflicts of interest risk

Conflicts of interest risks could arise in circumstances where a duty owed to a customer conflicts with either the interests of the BGL Group or duties owed by the BGL Group to other customers. The BGL Group has in place a clearly defined framework of controls to manage conflicts of interest risk.

Strategic risk

The BGL Group is continually managing a wide variety of risks relating to the markets in which it operates. These include:

- risks relating to the general economic environment, which can impact the overall size of the markets in which the BGL Group operates;
- risks arising from the insurance underwriting cycle;
- risks relating to reputation; and
- risks relating to competitor behaviour and the ability of the BGL Group to react quickly and effectively to changes in the market place.

Reputational risk is the risk of adverse publicity arising from the BGL Group's relationships with its customers, partners, suppliers and regulators. Key sources of reputational risk arise around direct interaction with consumers and the performance of the BGL Group's affinity partner arrangements. The BGL Group seeks to address reputational risks and also manages these risks where they arise, through established communications and public relations channels.

Regulatory risk

Regulatory risk is the risk that one of the BGL Group's regulated entities will breach the requirements of its regulator. The Company is authorised and regulated by the Financial Conduct Authority ("FCA").

BFSL Limited**Year ended 30 June 2017****Strategic report**

This risk is managed through effective operation of the governance structures as determined by BGL (Holdings) Limited. Management of risks relating to the BGL Group's interactions with its customers are devolved to the operating units with oversight being provided by a dedicated compliance team.

The BGL Group continues to review the legal and regulatory environment and seeks to work proactively to manage risks to the business in this area.

Events since the balance sheet date

There are no post balance sheet events requiring disclosure in these financial statements.



DJ Platt
Director
5 September 2017

BFSL Limited

Year ended 30 June 2017

Report of the directors

The directors present the report together with the audited financial statements for the year ended 30 June 2017.

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the strategic report. The financial position of the Company is disclosed in the balance sheet on page 11. The directors are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Directors

The directors of the Company during the year and to the date of signature were as follows:

MO Donaldson
DJ Platt (appointed 26 October 2016)

The directors at the time when this report is approved have confirmed that:

- so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- they have taken all the steps that ought to have been taken as directors in order to be aware of any information needed by the Company's auditor in connection with preparing their report and to establish that the Company's auditor is aware of that information.

Directors' indemnity provision

In accordance with the Company's Articles of Association, the Company has indemnified the directors of the Company against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision was in force during the year and is still in place as at the date of this report.

Auditor

In accordance with section 487 of the Companies Act 2006, the auditor will be deemed reappointed and KPMG LLP will continue in office.



DJ Platt
Director
5 September 2017

BFSL Limited

Year ended 30 June 2017

Statement of directors' responsibilities

The directors are responsible for preparing the strategic report, the report of the directors 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

BFSL Limited

Year ended 30 June 2017

Independent auditor's report to the members of BFSL Limited

Opinion

We have audited the financial statements of BFSL Limited ("the company") for the year ended 30 June 2017 which comprise the profit and loss account, statement of changes in equity, balance sheet and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Strategic report and report of the directors

The directors are responsible for the strategic report and the report of the directors. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the report of the directors and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the report of the directors;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 6, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the

BFSL Limited

Year ended 30 June 2017

going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

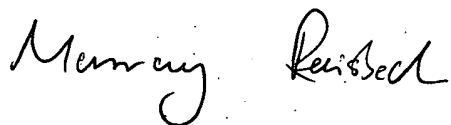
Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.



Murray Raisbeck (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

Date: 6 September 2017

BFSL Limited
Year ended 30 June 2017
Profit and loss account

		2017	Restated*
	Note	£000s	2016
			£000s
Revenue	3	59,986	36,120
Other income		8,707	7,986
Operating expenses		(55,209)	(36,578)
Operating profit	4	13,484	7,528
Finance income	5	64	1,428
Finance costs	6	(4,900)	(8,196)
Profit before taxation		8,648	760
Tax expense	7	(1,708)	(152)
Profit for the financial year		6,940	608

*Comparatives have been restated, for further details see note 1.

All amounts relate to continuing activities.

There are no other items of comprehensive income other than those included in the above profit and loss account; accordingly profit for the financial year is also total comprehensive income for the year.

The notes on pages 12 to 18 form part of these financial statements.

BFSL Limited**Year ended 30 June 2017****Statement of changes in equity**

	Share capital £000s	Retained earnings £000s	Total equity £000s
At 1 July 2015	5,000	3,625	8,625
Profit for the year	-	608	608
At 30 June 2016	5,000	4,233	9,233
Profit for the year	-	6,940	6,940
At 30 June 2017	5,000	11,173	16,173

The notes on pages 12 to 18 form part of these financial statements.

BFSL Limited**Year ended 30 June 2017**

Company Registration Number 2706280

Balance sheet

		2017	Restated*
	Note	£000s	2016
			£000s
ASSETS			
Current assets			
Trade and other receivables	9	472,858	334,953
Total assets		472,858	334,953
EQUITY AND LIABILITIES			
Current liabilities			
Trade and other payables	10	456,685	325,720
Total liabilities		456,685	325,720
Equity			
Share capital	11	5,000	5,000
Retained earnings		11,173	4,233
Total equity		16,173	9,233
Total equity and liabilities		472,858	334,953

*Comparatives have been restated, for further details see note 1.

The financial statements were approved by the directors on 5 September 2017 and signed by:



DJ Platt
Director

The notes on pages 12 to 18 form part of these financial statements.

BFSL Limited

Year ended 30 June 2017

Notes forming part of the financial statements

1. Accounting policies

The Company's significant accounting policies relating to specific financial statement items, together with a description of the accounting estimates and judgements that were critical to preparing them, are set out below. Accounting policies have been applied consistently to all periods presented in these financial statements.

The accounting policies of the Company are set at a group level by BGL (Holdings) Limited ("the BGL Group").

Basis of preparation

The Company, a private limited company incorporated and domiciled in England and Wales, has elected to prepare its financial statements in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a cash flow statement and related notes;
- comparative period reconciliations for share capital;
- disclosures in respect of transactions with wholly owned subsidiaries;
- disclosures in respect of capital management;
- the effects of new but not yet effective IFRSs;
- disclosures in respect of the compensation of key management personnel.

BGL (Holdings) Limited includes the Company in its consolidated financial statements. The consolidated financial statements of BGL (Holdings) Limited are prepared in accordance with International Financial Reporting Standards as adopted by the EU and, as they include equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following:

- certain disclosures required by IAS 36 Impairment of assets in respect of the impairment of goodwill;
- certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

The financial statements are stated in sterling, which is the Company's functional and presentation currency.

The financial statements have been prepared on the historical cost basis.

Going concern

The financial statements have been prepared on the going concern basis. The directors have reviewed the budget and cash flow forecasts of the Company for a period of not less than 12 months from the date of approving these financial statements and are confident that they show the Company will have sufficient resources to meet its liabilities as they fall due. Accordingly the directors believe that it remains appropriate to prepare the financial statements on a going concern basis.

BFSL Limited

Year ended 30 June 2017

Notes forming part of the financial statements

Changes in accounting standards

During the current year a number of amendments to existing IFRSs became effective. None of these had a material impact on the amounts included or the disclosures made within these financial statements.

Revenue

Revenue consists of instalment fees charged on finance provided to customers relating to the purchase of insurance products. Instalment fees are recognised over the period that credit is provided to policy holders using an average annual percentage interest rate methodology.

Taxation

Current tax

The current tax expense is the expected tax payable based on the taxable profits for the year, after any adjustments in respect of prior years. The rates enacted or substantively enacted at the reporting date are used to determine the current tax.

Non derivative financial instruments

Non derivative financial instruments comprise trade and other receivables, cash at bank and in hand, bank loans and overdrafts and trade and other payables.

Trade and other receivables

Trade and other receivables are recognised initially at fair value. Subsequently to initial recognition they are measured at amortised cost using the effective interest method, less any impairment for losses.

The Company policy is to write off doubtful receivables shortly after identification and then credit any recovered amounts to the profit and loss account when funds are received. Since 1 July 2015 the Company has operated under a guarantee from BISL Limited, a fellow subsidiary of BGL Group Limited, and bears no bad debt risk.

Trade and other payables

Trade and other payables are recognised initially at fair value. Subsequently to initial recognition they are measured at fair value less any impairment losses.

Foreign exchange

Foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transaction. Gains and losses resulting from the settlement of such transactions are recognised in the profit and loss account.

Monetary assets and liabilities denominated in foreign currencies are translated at the year end exchange rate, with all gains and losses being recognised in the profit and loss account.

Derivative financial instruments

The Company uses derivative financial instruments such as forward currency contracts and currency swaps to hedge its risks associated with foreign currency. Derivative financial instruments are recognised at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss. The Group does not use the hedge accounting option within IFRS.

BFSL Limited

Year ended 30 June 2017

Notes forming part of the financial statements

Prior year restatement

Recognition of trade receivables and bad debt expense

In the prior year certain trade receivables were derecognised when they were sold to BGL Receivables Financing (1) Limited. However, since the Company retained the risks and rewards of those receivables, the receivables should have been retained on the Company's balance sheet. The impact of this on the comparative figures in these financial statements is a reclassification of £315,462,000 from amounts owed to / due from related undertakings to trade receivables.

The Company purchases credit guarantees from BISL Limited, a fellow subsidiary entity, and bears no ~~bad debt risk in relation to trade receivables~~. ~~As the trade receivables had been derecognised~~ the Company did not recognise any bad debt expense in the previous year. Insurance income received on the debts was recognised in amounts owed to related undertakings.

As a result of the change, a bad debt provision of £615,000 has now been recognised against the trade receivables, resulting in total trade receivables of £333,803,000. Bad debt expense of £7,986,000 has been recognised in the profit and loss account. In addition the insurance proceeds received in the previous year of £7,371,000 has been reclassified as other income in the profit and loss account along with £615,000 of insurance receivable from BISL Limited.

There is no impact to prior year net assets or to the profit for the financial year, nor to the opening balances.

	As previously stated	Adjustment	Restated
	£'000	£'000	£'000
Balance sheet as at 30 June 2016			
Trade receivables	18,956	314,847	333,803
Amounts due from related undertakings	237,623	(237,008)	615
Amounts owed to related undertakings	218,442	77,839	296,281
Net assets	9,233	-	9,233
Profit and loss account 2016			
Other income	-	7,986	7,986
Cost of sales	(27,154)	27,154	-
Administrative expenses	(1,438)	1,438	-
Operating expenses	-	(36,578)	(36,578)
Operating profit	7,528	-	7,528

Presentation of the balance sheet and profit and loss account

The changes to FRS 101 as a result of the UK implementation of the EU Accounting Directive allows companies to take advantage of the alternative IAS 1 formats for the balance sheet and profit and loss account for accounting periods beginning on or after 1 January 2016.

The board of directors has performed a review of the available formats and concluded that the IAS 1 format is more closely aligned to our internal reporting. We have therefore elected to prepare the balance sheet and profit and loss account under the alternative IAS 1 formats in the current year and represented comparatives for consistency. There is no impact to the balance sheet as a result of the format change. The impact of this change to the profit and loss account is to combine cost of sales and administrative expenses into a single line item, operating expenses. There is no impact on the profit for the financial year.

BFSL Limited

Year ended 30 June 2017

Notes forming part of the financial statements

We have also elected to change the terminology used in these financial statements to align with IFRS terminology.

2. Significant judgements and estimation uncertainty

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

There are no key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3. Revenue

	2017 £000s	2016 £000s
Instalment income	59,986	36,120

All income arises in the UK and relates to the provision of finance.

4. Operating profit

Operating profit is stated after charging the following:

	2017 £000s	Restated* 2016 £000s
Auditor's fees for the audit of the Company's financial statements	26	25
Impairment loss on trade receivables	8,707	7,986
Foreign exchange movements	-	289
Net fair value loss on financial assets	-	1,124

*Comparatives have been restated, for further details see note 1.

Since 1 July 2015 the Company has operated under a guarantee from BISL Limited, a fellow subsidiary of BGL Group Limited, and bears no bad debt risk. The income received from BISL Limited in respect of the impairment loss on trade receivables is disclosed within other income.

5. Finance income

	2017 £000s	2016 £000s
Interest receivable from group undertakings	64	1,428

BFSL Limited**Year ended 30 June 2017****Notes forming part of the financial statements****6. Finance costs**

	2017	2016
	£000s	£000s
Interest payable to group undertakings	2,830	5,420
Interest payable to related entities	1,874	492
Interest and charges on bank borrowings	196	2,284
	4,900	8,196

7. Tax expense

	2017	2016
	£000s	£000s
Current tax		
UK corporation tax charge	1,708	152
Adjustment in respect of prior years	-	-
Total tax expense	1,708	152

The standard rate of tax for the year ended 30 June 2017 was 19.75% (2016: 20.00%). The rate is the same as the UK standard rate of corporation tax. There are no reconciling items between the actual tax charge and the tax charge at the standard rate as shown in the table below:

	2017	2016
	£000s	£000s
Profit for the financial year	6,940	608
Total tax expense	1,708	152
Profit before taxation	8,648	760
Tax at the standard corporation tax rate of 19.75% (2016: 20.00%)	1,708	152

The UK corporation tax rate was reduced from 20% to 19% effective from 1 April 2017. In his Budget on 16 March 2016 the Chancellor of the Exchequer announced an additional planned reduction to 17% by 1 April 2020. This was substantively enacted on 6 September 2016 and will reduce the company's future current tax charge accordingly.

8. Employees

The Company did not directly employ any staff during the year. The services of individuals were obtained in exchange for payments made to BGL Group Limited, the parent company.

BFSL Limited

Year ended 30 June 2017

Notes forming part of the financial statements

9. Trade and other receivables

	2017	Restated*
	£000s	2016
		£000s
Trade receivables	372,889	333,803
Amounts due from related undertakings	99,631	615
Prepayments	338	535
	472,858	334,953

*Comparatives have been restated, for further details see note 1.

Certain trade receivables subject to instalment collection arrangements have been sold to BGL Receivables Financing (1) Limited, a structured entity controlled by the BGL Group. These are shown with amounts due from related undertakings. BGL Receivables Financing (1) Limited subsequently secures asset-based securitised financing on these receivables.

Prepayments of £196,000 (2016: £339,000) are expected to be fully amortised after more than 12 months from the reporting date. All other amounts fall due for payment within one year.

10. Trade and other payables

	2017	Restated*
	£000s	2016
		£000s
Amounts owed to related undertakings	423,068	296,281
Other payables	26	37
Accruals and deferred income	32,796	29,402
Corporation tax payable	795	-
	456,685	325,720

*Comparatives have been restated, for further details see note 1.

11. Share capital

	Allotted, called up and fully paid
	2017
	£000s
	2016
	£000s
Ordinary shares of £1 each	5,000
	5,000

The Company has one class of ordinary shares which all have equal voting and dividend rights.

12. Contingent liabilities

Under the terms of the BGL Group's £210,000,000 revolving credit facility BFSL Limited together with BGL Group Limited, BISL Limited, ACM ULR Limited and BGL (Holdings) Limited, provided a joint and several guarantee. At 30 June 2017 the maximum exposure to this liability was £117,000,000. (2016: £nil).

BFSL Limited

Year ended 30 June 2017

Notes forming part of the financial statements

The Company has joint and several liability under the group VAT registration and joint liability under the group payment arrangement in relation to corporation tax.

13. Related party transactions

The Company has taken the exemption available under paragraph 8(k) FRS 101 from the disclosure requirements of IAS 24 in relation to entities which are wholly owned members of the same group. Transactions between the Company and other related parties are disclosed below.

Directors' emoluments and interests

None of the directors were remunerated primarily for their services to the Company, and it is not possible to determine the proportion of remuneration which relates to this Company. The directors are employed by BGL Group Limited, the parent company, and the emoluments are disclosed within the financial statements of that company.

BGL Receivables Financing (1) Limited

Certain trade receivables subject to instalment collection arrangements have been sold to BGL Receivables Financing (1) Limited, a structured entity controlled by the BGL Group. BGL Receivables Financing (1) Limited subsequently secures asset-based securitised financing on these receivables. At the reporting date the Company was owed £316,273,000 (2016: £237,459,000) from this entity.

14. Ultimate and immediate holding company

The immediate parent company is BGL Group Limited which is incorporated in the United Kingdom. The Company's ultimate parent undertaking and ultimate controlling party is Reef Holdings Limited which is incorporated in Guernsey. Reef Holdings Limited is wholly owned by The Concrete Trust. The Reef Foundation acts as trustee of The Concrete Trust.

The largest group in which the results of the Company are consolidated is that headed by BHL Holdings Limited. The smallest group in which they are consolidated is that headed by the BGL (Holdings) Limited. The results of the Company are also consolidated in the BHL (UK) Holdings Limited financial statements.

The consolidated financial statements of BHL Holdings Limited are not available to the public. The consolidated financial statements of BHL (UK) Holdings Limited can be obtained from BHL (UK) Holdings Limited, Bath House, 16 Bath Row, Stamford, PE9 2QU. The consolidated financial statements of BGL (Holdings) Limited can be obtained from BGL (Holdings) Limited, Pegasus House, Bakewell Road, Orton Southgate, Peterborough, PE2 6YS.