

BLEVINS FRANKS FINANCIAL MANAGEMENT LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

Company No. 03048100

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BLEVINS FRANKS FINANCIAL MANAGEMENT LIMITED

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BLEVINS FRANKS FINANCIAL MANAGEMENT LIMITED

COMPANY INFORMATION

COMPANY NUMBER 03048100

DIRECTORS John Kyle Stone
John Robert Simmonds
Michael Pace Balzan
Nigel Patrick John Green (appointed on 11th January 2017)
Stephen Blaney

REGISTERED OFFICE 28 St James's Square
London, SW1Y 4JH
United Kingdom

BLEVINS FRANKS FINANCIAL MANAGEMENT LIMITED

STRATEGIC REPORT FOR THE YEAR END 31 DECEMBER 2016

INTRODUCTION

The company's principal activity during the year continued to be the provision of regulated investment, pensions and insurance mediation services to British nationals living in the UK and overseas. The company is authorised and regulated by the Financial Conduct Authority having license number 179731.

BUSINESS REVIEW

The state of the company's affairs is as shown in the attached financial statements. Both the level of business and the year end financial position were satisfactory. The directors expect that the company will continue to trade profitably in the future.

The company's existing business continues to grow steadily.

During the year under review the directors paid a dividend of €2,754,465 (2015: €3,300,000). The Company generated a profit for the year of €536,885 (2015: €3,990,042) which has led to retained profits being carried forward of €3,930,158 (2015: €6,147,738).

PRINCIPAL RISKS AND UNCERTAINTIES

We believe the company is well placed to continue to grow steadily in our markets without incurring any financing strain. There are no major changes proposed in our principal activities in the next year. The company remains liquid and profitable. The company is not subject to normal price, credit or liquidity and cashflow risks. The company operates in a manner whereby cashflow is generated to meet existing liabilities.

FINANCIAL KEY PERFORMANCE INDICATORS

This year's results were significantly impacted by negative movements in foreign exchange and market fluctuations which were mainly conditioned by news surrounding Brexit and thus effecting the company's recurring income. These factors are beyond the Directors' control resulting in a reduction in profit.

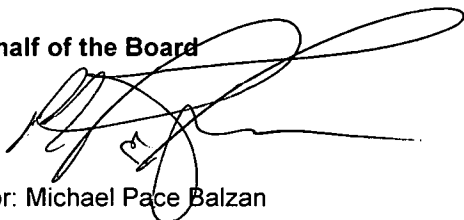
Whilst expenditure has increased from the previous year, this is in line with the Board of Directors' plans and in line with its growth plan.

The Directors' are confident that the performance of the company will continue to improve for the foreseeable future and the company has shown that it can continue to operate efficiently through some turbulent times.

NON-FINANCIAL KEY PERFORMANCE INDICATORS

Over the years there has been a continuous change in laws and regulations which includes proposed changes emanating from the 4th AML Directive and the Insurance Distribution Directive amongst others and the Company has kept abreast with all proposed changes, changing the way the Company operates to ensure that it is compliant at all times.

On behalf of the Board



Director: Michael Pace Balzan

Date: 21st April 2017

BLEVINS FRANKS FINANCIAL MANAGEMENT LIMITED

REPORT OF THE DIRECTORS

Directors and their interests

The directors who served during the year were as follows:-

John K. Stone
John R. Simmonds
Michael Pace Balzan
Stephen Blaney

Future Developments

There are further plans to continue growing the business by attracting new clients in the markets we operate.

Statement of Directors' responsibilities

The directors are responsible for preparing the Director's report and financial statements in accordance with applicable law and regulation.

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 company and of the profit or loss of the company for that year. 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as each of the directors is aware at the time the report is approved:

- There is no relevant audit information of which the company's auditors are unaware,
- The directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information, and

Auditors

Pursuant to a written resolution of the members, the company has dispensed with the holding of Annual General Meeting, the requirement to lay accounts at such meetings, and the obligation to appoint auditors annually. Haslers, Chartered Accountants will therefore continue to act as auditors.

On behalf of the Board


Director: Michael Pace Balzan

Date: 21ST APRIL 2017

BLEVINS FRANKS FINANCIAL MANAGEMENT LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BLEVINS FRANKS FINANCIAL MANAGEMENT LIMITED

We have audited the financial statements of Blevins Franks Financial Management Limited for the year ended 31 December 2016, set out on pages 6 to 20. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102 (The Financial Reporting Standard applicable in the UK and Republic of Ireland).

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.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its profits 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.

BLEVINS FRANKS FINANCIAL MANAGEMENT LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BLEVINS FRANKS FINANCIAL
MANAGEMENT LIMITED**

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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, 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.



Charalambos Patsalides (Senior statutory auditor)

for and on behalf of
Haslers

Chartered Accountants
Statutory Auditor

Old Station Road
Loughton
Essex
IG10 4PL

Date: 21 April 2017

BLEVINS FRANKS FINANCIAL MANAGEMENT LIMITED

PROFIT AND LOSS ACCOUNT
For the year ended 31 December 2016

	Notes	2016 €	2015 €
Turnover	1b, 2	28,652,714	28,256,918
Direct costs		<u>(10,036,386)</u>	<u>(8,615,622)</u>
Gross Profit		18,616,328	19,641,296
Administrative expenses		(15,677,388)	(14,590,975)
Other operating income		<u>178,978</u>	<u>186,663</u>
Operating profit	3	<u>3,117,918</u>	<u>5,236,984</u>
Profit on Ordinary Activities Before Taxation		3,117,918	5,236,984
Tax on profit on ordinary activities	6	<u>(2,581,033)</u>	<u>(1,246,542)</u>
Retained Profit For The Year		<u><u>536,885</u></u>	<u><u>3,990,442</u></u>

All amounts relate to continuing activities. There were no recognised gains and losses for 2016 or 2015 other than those included in the profit and loss account.

The above also represents the statement of comprehensive income.

BLEVINS FRANKS FINANCIAL MANAGEMENT LIMITED

BALANCE SHEET
COMPANY NUMBER 03048100
As at 31 December 2016

	Notes	31 December 2016 €	31 December 2015 €
Tangible Fixed Assets	7	<u>456,154</u>	<u>434,789</u>
Current Assets			
Debtors	8	8,186,517	9,816,531
Cash at bank and in hand		<u>3,742,045</u>	<u>4,410,662</u>
		11,928,562	14,227,193
Creditors: Amounts falling due within one year	9	<u>(8,220,405)</u>	<u>(8,258,579)</u>
Total assets less current liabilities		4,164,311	6,403,403
Provision for liabilities and charges			
Claims provision	10	<u>(28,476)</u>	<u>(49,988)</u>
Net Assets		<u><u>4,135,835</u></u>	<u><u>6,353,415</u></u>
Capital and reserves			
Called up share capital	11	239,889	239,889
Currency translation reserve		(34,212)	(34,212)
Profit and loss account	12	<u>3,930,158</u>	<u>6,147,738</u>
Equity Shareholders' Funds		<u><u>4,135,835</u></u>	<u><u>6,353,415</u></u>

The financial statements were approved by the board and signed on its behalf by:


 Director: Michael Pace Balzan

Date: 21ST APRIL 2017

BLEVINS FRANKS FINANCIAL MANAGEMENT LIMITED

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2016

	Called up Share Capital	Currency translation reserve	Profit and loss account	Total
	€	€	€	€
At 1st January 2015	239,889	(34,212)	5,457,296	5,662,973
Profit for the period	-	-	3,990,442	3,990,442
Dividends paid	-	-	(3,300,000)	(3,300,000)
At 31st December 2015	239,889	(34,212)	6,147,738	6,353,415
Profit for the period	-	-	536,885	536,885
Dividends paid	-	-	(2,754,465)	(2,754,465)
At 31st December 2016	239,889	(34,212)	3,930,158	4,135,835

BLEVINS FRANKS FINANCIAL MANAGEMENT LIMITED

CASH FLOW STATEMENT
For the year ended 31 December 2016

	Notes	2016 €	2015 €
Cash flow from operating activities	13	5,299,240	6,360,887
Taxation paid		(2,911,852)	(969,201)
Net cash generated from operating activities		2,387,388	5,391,686
Cash flow from investing activities			
Payments to acquire fixed assets		(301,540)	(271,049)
Net cash used from investing activities		(301,540)	(271,049)
Cash flow from financing activities			
Dividends paid		(2,754,465)	(3,300,000)
Net cash used from financing activities		(2,754,465)	(3,300,000)
Net movement in cash and cash equivalents		(668,617)	1,820,637
Cash and cash equivalents at the beginning of the period		4,410,662	2,590,025
Cash and cash equivalents at the end of the period	14	3,742,045	4,410,662
Cash and cash equivalents consist of:			
Cash at bank and in hand		3,742,045	4,410,662

BLEVINS FRANKS FINANCIAL MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2016

1. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied in the periods presented, unless otherwise stated.

General information

Blevins Franks Financial Management Limited is a UK incorporated private company with a registered office at 28 St.James's Square, London.

These financial statements have been prepared on the basis of rounding to the nearest Euro.

1.1 Basis of preparation

These financial statements are prepared in accordance with UK Financial Reporting Standards 102. These financial statements are prepared under the historical cost convention.

1.2 Foreign Currency translation

a. Functional and presentation currency

Items included in these financial statements are measured and disclosed using the currency of the primary economic environment in which the entity operates ('the functional and presentation currency'). The Euro is the company's functional currency.

b. Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account within income within 'other operating income/ (expense)'.

1.3 Property and equipment

All property and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Branch and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate the cost of the assets to their residual values over their estimated useful lives, as follows:

	<i>% per annum</i>	<i>method</i>
Computer and software	33 ¹ / ₃ %	straight line
Fixtures and fittings	15 - 33%	straight line
Equipment	25%	straight line

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

BLEVINS FRANKS FINANCIAL MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2016

1. Summary of significant accounting policies (continued)

1.3 Property plant and equipment (continued)

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals of property and equipment are determined by comparing the proceeds with carrying amount and are recognised within 'administrative expenses' in profit or loss.

1.4 Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease

1.5 Trade debtors and other receivables

Trade debtors are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets. Trade debtors and other receivables are recognised initially at fair value less provision for impairment. A provision for impairment of trade debtors and other receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivable is impaired. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss within 'administrative expenses'. When a receivable is uncollectible, it is written off against the allowance account for trade debtors and other receivables. Subsequent recoveries of amounts previously written off are credited against 'administrative expenses' in profit or loss.

1.6 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at fair value. In the statement of cash flows, cash and cash equivalents comprises deposits held at call with banks.

1.7 Trade creditors and other payables

Trade creditors comprise obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors and other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

1.8 Current tax

The tax expense for the period comprises current tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised directly in equity. In this case, the tax is also recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

BLEVINS FRANKS FINANCIAL MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2016

1. Summary of significant accounting policies (continued)

1.9 Revenue recognition

Revenue represents the invoiced amount of fees and services provided (stated net of value added tax) and commissions receivable.

Fees charged are recognised as income when chargeable and commissions are recognised as income when policies are on risk.

Provision is made for commission likely to be repayable in respect of lapsed policies.

1.10 Share based compensation

The Blevins Franks Group operates an equity-settled share-based compensation plan, under which the entity receives services from employees as consideration for equity instruments (options) of the parent company. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (for example, an entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions

Non-market performance and service conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

In addition, in some circumstances, employees may provide services in advance of the grant date and therefore the grant date fair value is estimated for the purposes of recognising the expense during the period between service commencement period and grant date.

At the end of each reporting period, the Company revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

When the options are exercised, the parent company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium.

1.11 Pensions

The company makes contributions to individual pension schemes of certain employees on a defined contribution basis. The pension cost charge in the profit and loss account represents contributions payable by the company.

1.12 Claims Provision

Within the accounts a general provision and a specific provision for any claims against the company arising in the normal course of business have been included.

1.13 Operating leases

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

BLEVINS FRANKS FINANCIAL MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2016

2. TURNOVER

Approximately 90% (2015: 90%) of the turnover was derived from EU countries outside the United Kingdom.

3. OPERATING PROFIT

	2016 €	2015 €
The operating profit is stated after charging:		
Directors' emoluments excluding pension contributions	878,556	950,715
Auditors' remuneration	36,600	35,400
Depreciation	280,175	385,217
Operating lease rentals	599,803	493,607

4. STAFF COSTS

	2016 €	2015 €
Total remuneration of employees, including directors, was:		
Wages and salaries	7,710,590	7,305,042
Social security costs	564,984	474,588
Share based compensation	548,303	456,225
Deferred bonus scheme	325,239	577,858
Staff pension costs	90,713	11,646
	9,239,829	8,825,359

The average monthly number of employees, including the directors, during the period was:

	2016 Number	2015 Number
Management	4	4
Administration	108	112
	112	116

Share-based compensation

Share options in respect of shares in the parent company are granted to directors and to selected employees. The exercise price of the granted options is equal to GBP1.00. The share options may only be exercised upon certain events taking place such as immediately before quotation or sale or change in control of the parent company. Unexercised share options may also lapse if certain conditions are met. One of these conditions is if the directors and the selected employees to whom such share options are granted leave their employment with the company (other than as a result of retirement or ill health or in any other circumstance in which the Directors determine that the employee is just the same a 'good leaver'). The parent company has no legal or constructive obligation to repurchase or settle the options in cash.

BLEVINS FRANKS FINANCIAL MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2016

4. STAFF COSTS - CONTINUED

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	2016		2015	
	Average exercise price per share option	Options	Average exercise price per share option	Options
Opening balance	1.00	383,000	1.00	124,000
Granted	1.00	180,000	1.00	259,000
Closing balance	1.00	563,000	1.00	383,000

In addition to the above, the directors indicated that an estimated additional 180,000 (2015: 349,000) share options will be granted to their employees for work performed in the period to 31 December 2016. The total cost of the estimated share options granted in relation to services rendered in 2016 amounts to €548,303 (2015: €456,225) and has been accounted for in the current year financial statements for the period to 31 December 2016.

Out of the anticipated 912,000 outstanding options (2015: 732,000), 912,000 options (2015: 732,000) were exercisable subject to certain events taking place as referenced and noted above and such share options do not carry an expiry date. There were no share options that were forfeited, exercised or that expired in the year to 31 December 2016 and 2015 and the exercise price of all the anticipated outstanding options at 31 December 2016 is GBP 1.00 (2015: GBP1.00).

The weighted average fair value of options granted during the period determined using the Black-Scholes valuation model was GBP3.07 per option (2015: GBP3.13). The significant inputs into the model are:

- the estimated weighted average share price of GBP4.06 (2015: GBP4.06) at the grant date;
- exercise price shown above;
- volatility of 34% (2015: 43%);
- period as to when the share options are expected to be exercised which stands at 2.67 years as at 31 December 2015 (2015: 3.67);
- probability of the directors and selected employees remaining with the company which probabilities range from 50% to 85% (2015: 50% to 85%); and
- a compounded risk-free interest rate of 0.1% (2015: 1.14%).

5. DIRECTORS' EMOLUMENTS

	As at 31 December 2016 €	As at 31 December 2015 €
Emoluments in respect of qualifying services	<u>878,556</u>	<u>950,715</u>

No directors are accruing benefits under money purchase schemes.

BLEVINS FRANKS FINANCIAL MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2016

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2016	2015
	€	€
United Kingdom corporation tax based on profit for the year:		
Corporation tax	2,581,033	1,246,542

The tax assessed for the period is lower than the standard rate of corporation tax in the UK. The differences are due to the following:

	2016	2015
	€	€
Profit on ordinary activities before taxation	3,117,918	5,236,984
Tax at standard rate of 20% (2015: 20%)	623,584	1,047,397
Overprovided tax for prior years	-	(269,747)
Non deductible expenses	109,666	90,651
Additional tax paid for prior years	1,639,630	-
Additional tax due to higher rates paid in Malta	190,972	555,565
Tax allowances	(56,652)	(116,748)
Group relief	-	(105,560)
Other differences	73,833	44,984
Tax charge for the period	2,581,033	1,246,542

In 2016 additional tax of €1,639,630 related to tax paid on profits arising in 2013 & 2014. This was triggered as a result of tax refunds received by another Group Company which only becomes payable to HMRC upon receipt of refunds.

BLEVINS FRANKS FINANCIAL MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2016

7. TANGIBLE FIXED ASSETS

	Computer and software €	Fixtures, fittings and equipment €	Total €
Cost:			
As at 1 January 2016	1,054,514	1,033,037	2,087,551
Additions	106,074	195,466	301,540
As at 31 December 2016	<u>1,160,588</u>	<u>1,228,503</u>	<u>2,389,091</u>
Depreciation:			
As at 1 January 2016	825,631	827,131	1,652,762
Charge for the year	168,427	111,748	280,175
As at 31 December 2016	<u>994,058</u>	<u>938,879</u>	<u>1,932,937</u>
Net Book Value:			
As at 31 December 2016	<u>166,530</u>	<u>289,624</u>	<u>456,154</u>
As at 31 December 2015	<u>228,883</u>	<u>205,906</u>	<u>434,789</u>

8. DEBTORS

	2016 €	2015 €
Amounts falling due within one year:		
Trade debtors	14,556	12,581
Other debtors	629,726	345,267
Amounts due from related companies	1,447,902	3,540,375
Prepayments and accrued income	<u>6,094,333</u>	<u>5,918,308</u>
	<u>8,186,517</u>	<u>9,816,531</u>

BLEVINS FRANKS FINANCIAL MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2016

9. CREDITORS

	2016	2015
	€	€
Amounts falling due within one year:		
Trade creditors	259,008	545,815
Corporation tax	2,351,579	2,687,310
Amounts due to related parties	2,805,170	2,157,378
Other creditors	73,474	94,388
Other social security costs	218,429	119,928
Accruals and deferred income	2,512,745	2,653,760
	<u>8,220,405</u>	<u>8,258,579</u>

10. PROVISIONS FOR LIABILITIES AND CHARGES

	2016	2015
	€	€
Claims Provision		
At beginning of the period	49,988	75,000
Settled during the period	(21,512)	(25,012)
	<u>28,476</u>	<u>49,988</u>
At end of the period		

In the normal course of business there are outstanding claims against the company. In the directors' opinion the specific provision at year end is sufficient to meet the claims which may arise. The above claims are expected to be paid within the next twelve months and none of the costs will be reimbursed.

11. SHARE CAPITAL

	2,016	2,015
	€	€
Allotted, called up and fully paid		
185,000 Ordinary shares of £1 (being €1.2967) each	<u>239,889</u>	<u>239,889</u>

BLEVINS FRANKS FINANCIAL MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2016

12. RESERVES

a) Currency translation reserve

The currency translation reserve is the reserve calculated when converting the accounts from GBP to Euro.

b) Profit and loss account

The profit and loss account represents cumulative profits and losses net of dividends and other adjustments.

13. NET CASH GENERATED FROM OPERATING ACTIVITIES

	2016	2015
	€	€
Operating profit	3,117,918	5,236,984
Adjustments:		
Depreciation	280,175	385,217
Share based compensation	548,303	456,225
Changes in working capital:		
Decrease / (increase) in debtors	1,081,711	(544,819)
Increase in creditors	271,133	827,280
Cash generated from operations	<u>5,299,240</u>	<u>6,360,887</u>

14. ANALYSIS OF CHANGES IN NET FUNDS

	As at 1 January 2016 €	Cash flow €	As at 31 December 2016 €
Changes during the period:			
Cash at bank and in hand	<u>4,410,662</u>	<u>(668,617)</u>	<u>3,742,045</u>

BLEVINS FRANKS FINANCIAL MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2016

15. PENSION COMMITMENTS

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension charge represents contributions payable by the company to the fund and amounted to €90,713 (2015: €11,646). The contributions outstanding at the balance sheet date amounted to €20,860 (2015: €Nil).

16. RELATED PARTY TRANSACTIONS

John Stone and John Simmonds are directors and/or shareholders of the following trading companies:

Blevins Franks Tax Limited
Blevins Franks Trustees Limited
Blevins Franks Gamma Limited
Blevins Franks Strategic Planning SAM
Blevins Franks Group Limited
Blevins Franks France SASU (formerly Siddalls France SASU)

The related balances as at year end are as follows:

	2016	2015
	€	€
Blevins Franks Strategic Planning SAM	-	56,014
Blevins Franks Gamma Limited	(1,126)	-
Blevins Franks Tax Limited	2,384,834	2,469,026
Blevins Franks France SASU	16,515	-
Blevins Franks Trustees Limited	323,295	235,689
Blevins Franks Group Limited	(1,275,616)	779,616

Details of the transactions between the companies were: -

	2016	2015
	€	€
Income		
Payroll expenses recharged to a related company	1,238,051	1,274,265
Other administrative expenses recharged to a related company	379,152	326,830
Expenditure		
Share based compensation recharged by related party	(548,303)	(456,225)
Professional fees recharged by a related company	(1,019,736)	(188,784)

During the year the company paid out a dividend of €2,754,465 (2015: €3,300,000) to the shareholders.

BLEVINS FRANKS FINANCIAL MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2016

17. CONTINGENT LIABILITIES

The company is included in a group registration for Value Added Tax with Blevins Franks Tax Limited. Blevins Franks Financial Management Limited is the lead company in the Value Added Tax group. At the balance sheet date, the total balance due to HM Revenue & Customs under the group registration was €4,973 (2015: €1,590).

18. OPERATING LEASE COMMITMENTS

At 31 December 2016 the company had annual commitments under non-cancellable leases as follows:

	2016 €	2015 €
Expiry date:		
Not later than 1 year	287,280	309,328
Between 2 and 5 years	766,080	206,218
Total	1,053,360	515,546

19. ULTIMATE CONTROLLING PARTY

The ultimate controlling parent undertaking is Blevins Franks Group Limited (formerly J J & P Holdings Limited) a company registered in Malta, with its registered address at Triq Il-Merghat, Gasan Centre, Mriehel, Birkirkara, BKR 3000, Malta. There is no one ultimate controlling party.

20. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

In applying the Company's accounting policies, the directors are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The directors' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

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.

The directors do not believe that there have been judgements (apart from those involving estimates) made in the process of applying the accounting policies that have had a significant effect on amounts recognised in the financial statements.