

Company Registration No. 02705948 (England and Wales)

BLACKFINCH INVESTMENTS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2018



BLACKFINCH INVESTMENTS LIMITED

COMPANY INFORMATION

Directors	Mr R J Cook Mr R L Simmonds
Company number	02705948
Registered office	1350-1360 Montpelier Court Brockworth Gloucester GL3 4AH
Auditor	Kendall Wadley LLP Granta Lodge 71 Graham Road Malvern Worcestershire WR14 2JS
Bankers	Lloyds Bank plc 48 Belle Vue Terrace Malvern Worcestershire WR14 4PZ

BLACKFINCH INVESTMENTS LIMITED

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BLACKFINCH INVESTMENTS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 OCTOBER 2018

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

The principal activity of the company continued to be that of the provision of agency services in respect of investment services.

Fair review of the business

The results for the company show a pre tax profit of £623,477 for the year (2017 : £1,133,463) on turnover of £4,866,983 (2017 : £3,021,639).

The company paid dividends of £1,091,621 (2017 : £nil) and there were no significant events requiring disclosure in the financial statements after the balance sheet date.

The company has no debt (2017 : £nil) and shareholder's funds amount to £1,784,849 (2017 : £2,385,976).

The board is pleased with the overall performance of the company this year. The company focused on consolidating the promotion and distribution of the products and services which were launched in 2014, as well as launching new ones. The company's client base grew and new investment opportunities were sourced and completed as underlying assets for investors. The brand consolidation and growth continued.

Principal risks and uncertainties

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

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

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

The revenues of the company have historically been driven from a transactional nature but are now being created from an increasing number of management fees and performance incentives. This means that more stable and robust cash flows are being created which will underpin the future stability of the company.

On behalf of the Board



Mr R J Cook

Director

19 February 2019

BLACKFINCH INVESTMENTS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 OCTOBER 2018

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

Principal activities

The principal activity of the company continued to be that of the provision of agency services in respect of investment services.

Directors

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

Mr R J Cook
Mr R L Simmonds

Results and dividends

The results for the year are set out on page 6.

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

Auditor

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

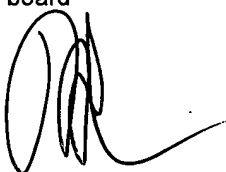
Statement of disclosure to auditor

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 company's auditor 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 company's auditor is aware of that information.

On behalf of the board

Mr R J Cook
Director

19 February 2019



BLACKFINCH INVESTMENTS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 OCTOBER 2018

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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 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 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 enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

BLACKFINCH INVESTMENTS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BLACKFINCH INVESTMENTS LIMITED

Opinion

We have audited the financial statements of Blackfinch Investments Limited (the 'company') for the year ended 31 October 2018 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 October 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's *responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

BLACKFINCH INVESTMENTS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF BLACKFINCH INVESTMENTS LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the 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, 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.

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 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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

19 February 2019

Chartered Accountants
Statutory Auditor

Granta Lodge
71 Graham Road
Malvern
Worcestershire
WR14 2JS

BLACKFINCH INVESTMENTS LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 OCTOBER 2018

	Notes	2018 £	2017 £
Turnover	3	4,866,983	3,021,639
Cost of sales		(68,038)	(26,220)
Gross profit		4,798,945	2,995,419
Administrative expenses		(4,175,069)	(1,861,956)
Operating profit	4	623,876	1,133,463
Interest receivable and similar income	7	231	-
Interest payable and similar expenses	8	(630)	-
Profit before taxation		623,477	1,133,463
Tax on profit	9	(132,983)	(233,082)
Profit for the financial year		490,494	900,381

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

BLACKFINCH INVESTMENTS LIMITED

BALANCE SHEET

AS AT 31 OCTOBER 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Tangible assets	11	61,960		-	
Investments	12	16,036		1	
			77,996		1
Current assets					
Debtors	15	4,592,366		2,911,714	
Cash at bank and in hand		498,018		347,249	
		5,090,384		3,258,963	
Creditors: amounts falling due within one year	16	(3,323,302)		(872,988)	
Net current assets		1,767,082		2,385,975	
Total assets less current liabilities		1,845,078		2,385,976	
Creditors: amounts falling due after more than one year	17	(48,457)		-	
Provisions for liabilities	19	(11,772)		-	
Net assets		1,784,849		2,385,976	
Capital and reserves					
Called up share capital	23	85,000		85,000	
Profit and loss reserves		1,699,849		2,300,976	
Total equity		1,784,849		2,385,976	

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

Mr R J Cook
Director

Company Registration No. 02705948

BLACKFINCH INVESTMENTS LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 OCTOBER 2018

	Share capital £	Profit and loss reserves £	Total £
Balance at 1 November 2016	85,000	1,400,595	1,485,595
Year ended 31 October 2017:			
Profit and total comprehensive income for the year	-	900,381	900,381
Balance at 31 October 2017	85,000	2,300,976	2,385,976
Year ended 31 October 2018:			
Profit and total comprehensive income for the year	-	490,494	490,494
Dividends	-	(1,091,621)	(1,091,621)
Balance at 31 October 2018	85,000	1,699,849	1,784,849

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BLACKFINCH INVESTMENTS LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 OCTOBER 2018

	Notes	2018 £	£	2017 £	£
Cash flows from operating activities					
Cash generated from operations	28	1,571,046		220,966	
Interest paid		(630)		-	
Income taxes paid		(295,687)		(64,051)	
Net cash inflow from operating activities		1,274,729		156,915	
Investing activities					
Purchase of tangible fixed assets		(16,535)		-	
Purchase of investments		(16,035)		-	
Interest received		231		-	
Net cash used in investing activities		(32,339)		-	
Financing activities					
Dividends paid		(1,091,621)		-	
Net cash used in financing activities		(1,091,621)		-	
Net increase in cash and cash equivalents		150,769		156,915	
Cash and cash equivalents at beginning of year		347,249		190,334	
Cash and cash equivalents at end of year		498,018		347,249	

BLACKFINCH INVESTMENTS LIMITED

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

1 Accounting policies

Company information

Blackfinch Investments Limited is a private company limited by shares incorporated in England and Wales. The registered office is 1350-1360 Montpellier Court, Brockworth, Gloucester, GL3 4AH.

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 Going concern

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

1.3 Turnover

Turnover comprises revenue recognised by the company in respect of agency services provided for the sale of endowment policies and other investment products during the period, exclusive of Value Added Tax.

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

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

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

1.4 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:

Motor vehicles	25% on cost
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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 credited or charged to profit or loss.

1.5 Fixed asset investments

Interests in are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

BLACKFINCH INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

1 Accounting policies

(Continued)

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

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible 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.

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 (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) 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.

1.7 Cash at bank and in hand

Cash and cash equivalents are basic financial assets and include cash in hand.

1.8 Financial instruments

The company 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 company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

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

BLACKFINCH INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

1 Accounting policies

(Continued)

Impairment of financial assets

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

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

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

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company 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 company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, 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 receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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 company's contractual obligations expire or are discharged or cancelled.

1.9 Equity instruments

Equity instruments issued by the company 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 company.

1.10 Taxation

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

BLACKFINCH INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

1 Accounting policies

(Continued)

Current tax

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

Group relief is paid for in full at the rate of corporation tax prevailing in respect of the year of surrender.

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 when the company has 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.

1.11 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.

1.12 Retirement benefits

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

1.13 Leases

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

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

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

BLACKFINCH INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

1 Accounting policies

(Continued)

1.14 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.

1.15 Foreign exchange

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

2 Judgements and key sources of estimation uncertainty

In the application of the company'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 company's turnover is as follows:

	2018 £	2017 £
Turnover analysed by class of business		
Management and admin fees	892,906	426,547
Other commission	1,093,177	556,305
Sales fees	1,626,474	1,603,459
Investment management fees	989,236	435,328
Directors and monitoring fees	265,190	-
	<u>4,866,983</u>	<u>3,021,639</u>
	2018 £	2017 £
Turnover analysed by geographical market		
UK sales	<u>4,866,983</u>	<u>3,021,639</u>

BLACKFINCH INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

4 Operating profit

	2018	2017
	£	£
Operating profit for the year is stated after charging:		
Fees payable to the company's auditor for the audit of the company's financial statements	9,200	3,880
Depreciation of owned tangible fixed assets	12,390	-
	<u>21,590</u>	<u>3,880</u>

5 Employees

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

	2018 Number	2017 Number
Administrative	59	31
Directors	2	2
	<u>61</u>	<u>33</u>

Their aggregate remuneration comprised:

	2018 £	2017 £
Wages and salaries	2,218,908	1,064,713
Social security costs	248,717	112,793
Pension costs	36,493	14,218
	<u>2,504,118</u>	<u>1,191,724</u>

6 Directors' remuneration

	2018 £	2017 £
Remuneration for qualifying services	86,000	66,757
Company pension contributions to defined contribution schemes	5,500	-
	<u>91,500</u>	<u>66,757</u>

7 Interest receivable and similar income

	2018 £	2017 £
Interest income		
Other interest income	231	-
	<u>231</u>	<u>-</u>

BLACKFINCH INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

8 Interest payable and similar expenses

	2018 £	2017 £
Interest on financial liabilities measured at amortised cost:		
Interest on finance leases and hire purchase contracts	630	-

9 Taxation

	2018 £	2017 £
Current tax		
UK corporation tax on profits for the current period	121,211	231,683
Adjustments in respect of prior periods	-	1,399
Total current tax	121,211	233,082
Deferred tax		
Origination and reversal of timing differences	11,772	-
Total tax charge	132,983	233,082

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

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

	2018 £	2017 £
Profit before taxation	623,477	1,133,463
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2017: 19.41%)	118,461	220,047
Tax effect of expenses that are not deductible in determining taxable profit	14,522	11,636
Under/(over) provided in prior years	-	1,399
Taxation charge for the year	132,983	233,082

10 Dividends

	2018 £	2017 £
Final paid	1,091,621	-

BLACKFINCH INVESTMENTS LIMITED

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

11 Tangible fixed assets

	Motor vehicles £
Cost	
At 1 November 2017	-
Additions	74,350
At 31 October 2018	74,350
Depreciation and impairment	
At 1 November 2017	-
Depreciation charged in the year	12,390
At 31 October 2018	12,390
Carrying amount	
At 31 October 2018	61,960
At 31 October 2017	-

12 Fixed asset investments

	Notes	2018 £	2017 £
Investments in subsidiaries	13	1	1
Unlisted investments		16,035	-
		16,036	1

Movements in fixed asset investments

	Shares in group undertakings £	Other investments other than loans £	Total £
Cost or valuation			
At 1 November 2017	1	-	1
Additions	-	16,035	16,035
At 31 October 2018	1	16,035	16,036
Carrying amount			
At 31 October 2018	1	16,035	16,036
At 31 October 2017	1	-	1

BLACKFINCH INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

13 Subsidiaries

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

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Blackfinch Nominees Limited	England and Wales	Dormant	Ordinary	100.00	

14 Financial instruments

	2018 £	2017 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	4,544,047	2,885,461
Equity instruments measured at cost less impairment	16,035	-
Carrying amount of financial liabilities		
Measured at amortised cost	3,295,594	627,642

15 Debtors

	2018 £	2017 £
Amounts falling due within one year:		
Trade debtors	17,923	172,002
Amounts owed by group undertakings	4,524,447	2,707,459
Other debtors	1,677	6,000
Prepayments and accrued income	48,319	26,253
	4,592,366	2,911,714

16 Creditors: amounts falling due within one year

	Notes	2018 £	2017 £
Obligations under finance leases	18	9,358	-
Trade creditors		154,286	61,799
Amounts owed to group undertakings		2,870,920	435,752
Corporation tax		28,598	203,074
Other taxation and social security		43,067	42,272
Government grants	21	4,500	-
Accruals and deferred income		212,573	130,091
		3,323,302	872,988

BLACKFINCH INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

17 Creditors: amounts falling due after more than one year

	Notes	2018 £	2017 £
Obligations under finance leases	18	48,457	-

18 Finance lease obligations

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

Finance lease payments represent rentals payable by the company for 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.

19 Provisions for liabilities

	Notes	2018 £	2017 £
Deferred tax liabilities	20	11,772	-

20 Deferred taxation

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

	Liabilities 2018 £	Liabilities 2017 £
Balances:		
Capital Allowances	11,772	-

BLACKFINCH INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

20 Deferred taxation

(Continued)

	2018
	£
Movements in the year:	
Liability at 1 November 2017	-
Charge to profit or loss	11,772
	<u>11,772</u>
Liability at 31 October 2018	<u>11,772</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.

21 Government grants

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

22 Retirement benefit schemes

	2018	2017
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	36,493	14,218
	<u>36,493</u>	<u>14,218</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

23 Share capital

	2018	2017
	£	£
Ordinary share capital		
Issued and fully paid		
850,000 Ordinary shares of 10p each	85,000	85,000
	<u>85,000</u>	<u>85,000</u>

24 Financial commitments, guarantees and contingent liabilities

The banking arrangements of Blackfinch Corporate Services Limited, a fellow subsidiary of Blackfinch Investment Group International Limited are secured by a charge over £125,000 held on deposit with the bank. At 31 October 2018, Blackfinch Corporate Services Limited owed Lloyds Bank plc £nil (2017 £nil).

BLACKFINCH INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

25 Operating lease commitments

Lessee

Operating lease payments represent rentals payable by the company for its office equipment and motor vehicles. Leases are negotiated for an average term of 1-5 years.

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

	2018 £	2017 £
Within one year	2,314	2,320
Between two and five years	320	960
	<u>2,634</u>	<u>3,280</u>

26 Controlling party

The ultimate parent company is BF Inter Limited, a company registered in England and Wales, which owns 100% of the issued share capital of Blackfinch Investment Group International Limited, the immediate parent company. The ultimate controlling party is Richard Cook who owns 55% of the share capital in BF Inter Limited.

27 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2018 £	2017 £
Aggregate compensation	<u>91,500</u>	<u>66,757</u>

The company is a 100% owned subsidiary of Blackfinch Investment Group International Limited. The company has therefore elected to make use of the exemption provided in FRS102.33.1A (Related Party Transactions) not to disclose related party transactions with other members of the group.

BLACKFINCH INVESTMENTS LIMITED

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

28 Cash generated from operations

	2018 £	2017 £
Profit for the year after tax	490,494	900,381
Adjustments for:		
Taxation charged	132,983	233,082
Finance costs	630	-
Investment income	(231)	-
Depreciation and impairment of tangible fixed assets	12,390	-
Movements in working capital:		
(Increase) in debtors	(1,680,652)	(1,489,429)
Increase in creditors	2,610,932	576,932
Increase in deferred income	4,500	-
Cash generated from operations	<u>1,571,046</u>	<u>220,966</u>