

BLACK SWAN CAPITAL LTD

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 MARCH 2020

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020

	Note	2020 £	2019 £
FIXED ASSETS			
Intangible assets	4	1,630,383	1,964,343
Tangible assets	5	13,844	26,448
		<u>1,644,227</u>	<u>1,990,791</u>
CURRENT ASSETS			
Debtors: amounts falling due after more than one year	6	18,777	-
Debtors: amounts falling due within one year	6	364,510	331,698
Cash at bank and in hand	7	148,269	99,760
		<u>531,556</u>	<u>431,458</u>
Creditors: amounts falling due within one year	8	(279,006)	(216,431)
		<u>252,550</u>	<u>215,027</u>
NET CURRENT ASSETS			
		<u>1,896,777</u>	<u>2,205,818</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
Creditors: amounts falling due after more than one year	9	(12,013)	(12,956)
PROVISIONS FOR LIABILITIES			
Other provisions	10	(1,378,535)	(1,648,510)
		<u>(1,378,535)</u>	<u>(1,648,510)</u>
NET ASSETS			
		<u>506,229</u>	<u>544,352</u>
CAPITAL AND RESERVES			
Called up share capital	11	2,385	2,385
Share premium account		908,547	908,547
Profit and loss account		(404,703)	(366,580)
		<u>506,229</u>	<u>544,352</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 MARCH 2020

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

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

Mr P T Hutton
Director

Date: 25 March 2021

The notes on pages 3 to 10 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

1. GENERAL INFORMATION

Black Swan Capital Ltd is a private company limited by shares. The company was incorporated in England on the 2 July 1999. The registered office can be found in the company information page at the front of these financial statements.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 EXEMPTION FROM PREPARING CONSOLIDATED FINANCIAL STATEMENTS

The Company, and the Group headed by it, qualify as small as set out in section 383 of the Companies Act 2006 and the parent and Group are considered eligible for the exemption to prepare consolidated accounts.

2.3 REVENUE

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable.

Revenue represents income receivable by the Company in respect of fees and commission earned during the year.

2.4 OPERATING LEASES: THE COMPANY AS LESSEE

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.5 INTEREST INCOME

Interest income is recognised in profit or loss using the effective interest method.

2.6 FINANCE COSTS

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.7 BORROWING COSTS

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

2. ACCOUNTING POLICIES (continued)

2.8 PENSIONS

DEFINED CONTRIBUTION PENSION PLAN

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

2.9 INTANGIBLE ASSETS

Goodwill

Black Swan Capital Ltd has purchased the customer lists of various retiring IFA's, in return for which a certain percentage of commissions received by Black Swan is payable to the ceding IFA. The payments are in return for a transfer of full economic rights to Black Swan Capital, and hence in substance goodwill.

Accordingly, an estimate of future payments to the ceding IFA's under the terms of the agreement has been capitalised as goodwill, and the corresponding entry recorded as a liability. An impairment review of the goodwill takes place annually.

Amortisation is calculated so as to write off the goodwill in line with the actual payments made to the ceding IFA's for the durations of the agreement.

Black Swan Capital Ltd has also purchased the customer list of retiring IFAs for fixed considerations.

2.10 TANGIBLE FIXED ASSETS

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Long-term leasehold property improvement	- 5	years straight line
Fixtures and fittings	- 5	years straight line
Office equipment	- 5	years straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

2. ACCOUNTING POLICIES (continued)

2.11 DEBTORS

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.12 CASH AND CASH EQUIVALENTS

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.13 CREDITORS

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.14 PROVISIONS FOR LIABILITIES

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

2. ACCOUNTING POLICIES (continued)

2.15 FINANCIAL INSTRUMENTS

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from third parties and loans to related parties.

3. EMPLOYEES

The average monthly number of employees, including directors, during the year was 14 (2019: 15).

4. INTANGIBLE ASSETS

	Goodwill - RIFAs £	Goodwill - Other £	Total £
COST			
At 1 April 2019	7,594,546	631,802	8,226,348
At 31 March 2020	7,594,546	631,802	8,226,348
AMORTISATION			
At 1 April 2019	5,946,036	315,969	6,262,005
Charge for the year on owned assets	269,975	63,985	333,960
At 31 March 2020	6,216,011	379,954	6,595,965
NET BOOK VALUE			
At 31 March 2020	1,378,535	251,848	1,630,383
At 31 March 2019	1,648,510	315,833	1,964,343

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

5. TANGIBLE FIXED ASSETS

	Leasehold property improvements £	Fixtures and fittings £	Office equipment £	Total £
COST OR VALUATION				
At 1 April 2019	33,682	14,198	55,672	103,552
Additions	-	-	636	636
At 31 March 2020	33,682	14,198	56,308	104,188
DEPRECIATION				
At 1 April 2019	23,006	9,696	44,402	77,104
Charge for the year on owned assets	6,737	2,840	3,663	13,240
At 31 March 2020	29,743	12,536	48,065	90,344
NET BOOK VALUE				
At 31 March 2020	3,939	1,662	8,243	13,844
At 31 March 2019	10,676	4,502	11,270	26,448

6. DEBTORS

	2020 £	2019 £
DUE AFTER MORE THAN ONE YEAR		
Other debtors	18,777	-
	18,777	-
DUE WITHIN ONE YEAR		
Trade debtors	222,601	208,419
Other debtors	99,784	118,664
Prepayments and accrued income	42,125	4,615
	364,510	331,698

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

7. CASH AND CASH EQUIVALENTS

	2020 £	2019 £
Cash at bank and in hand	148,269	99,760
	<u>148,269</u>	<u>99,760</u>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Short term borrowings	36,893	36,893
Trade creditors	160,335	114,198
Corporation tax	26,151	-
Other taxation and social security	33,017	26,682
Obligations under finance lease and hire purchase contracts	958	875
Accruals and deferred income	21,652	37,783
	<u>279,006</u>	<u>216,431</u>

9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2020 £	2019 £
Net obligations under finance leases and hire purchase contracts	1,344	2,287
Dividends payable	10,669	10,669
	<u>12,013</u>	<u>12,956</u>

10. PROVISIONS

	Deferred considerat'n - RIFAs £
At 1 April 2019	1,648,510
Utilised in year	(269,975)
AT 31 MARCH 2020	<u><u>1,378,535</u></u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

11. SHARE CAPITAL

	2020 £	2019 £
ALLOTTED, CALLED UP AND FULLY PAID		
2,329 (2019: 2,329) Ordinary shares of £1.00 each	2,329	2,329
562 (2019: 562) Growth shares of £0.10 each shares of £0.10 each	56	56
	<u>2,385</u>	<u>2,385</u>

All shares rank pari passu in terms of voting rights.

All shares are also entitled to dividends and capital distributions in accordance with detailed provisions as set out in the Articles of Association.

12. PENSION COMMITMENTS

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £22,275 (2019: £14,297). Contributions totalling £1,849 (2019: £3,024) were payable to the fund at the reporting date.

13. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2020 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	35,205	69,569
Later than 1 year and not later than 5 years	840	34,785
	<u>36,045</u>	<u>104,354</u>

14. TRANSACTIONS WITH DIRECTORS

During the year, the company maintained loans to directors and received interest of £4,466 (2019: £2,561). The amount owing to the company at the year end was £125,611 (2019: £52,416). Repayments during the year amounted to £7,271 (2019: £825) and advances of £76,000 (2019: £5,000) were made. All amounts are repayable on demand.

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

15. RELATED PARTY TRANSACTIONS

Transactions and balances with shareholders

During the year, the company maintained loans from shareholders and paid interest of £Nil (2019: £5,497). Repayments of £Nil including interest (2019: £31,266) were made during the year. The amount owed to shareholders at the year end was £Nil (2019: £Nil).

Transactions and balances with directors

In addition to loans to directors as detailed in note 14, during the year, the company also maintained loans from and other amounts owed to directors and paid interest of £Nil (2019: £Nil). The amount owing by the company at the year end was £750 (2019: £4,766).

Transactions and balances with companies with common shareholders

During the year, the company paid general expenses including rent & service charges of £130,300 (2019: £136,166) to a company with common shareholders. The amount owing to the company with common shareholders at the end of the year was £49,981 (2019: £48,108).

16. SUBSIDIARY UNDERTAKING

Griffin Financial Planning Limited which is incorporated in the United Kingdom, was a wholly owned dormant subsidiary of the company throughout the year.

17. AUDITORS' INFORMATION

The auditors' report on the financial statements for the year ended 31 March 2020 was unqualified.

The audit report was signed on 25 March 2021 by Tim Borton FCA (Senior statutory auditor) on behalf of Bishop Fleming LLP.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.