

BLACK SWAN CAPITAL LTD

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE PERIOD ENDED 31 DECEMBER 2021

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
FIXED ASSETS			
Intangible assets	4	993,866	1,326,284
Tangible assets	5	4,103	7,118
		<u>997,969</u>	<u>1,333,402</u>
CURRENT ASSETS			
Debtors: amounts falling due after more than one year	6	52,839	41,532
Debtors: amounts falling due within one year	6	402,027	320,946
Cash at bank and in hand	7	270,584	132,633
		<u>725,450</u>	<u>495,111</u>
Creditors: amounts falling due within one year	8	(408,230)	(250,348)
		<u>317,220</u>	<u>244,763</u>
NET CURRENT ASSETS			
		<u>1,315,189</u>	<u>1,578,165</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
Creditors: amounts falling due after more than one year	9	(10,669)	(11,219)
PROVISIONS FOR LIABILITIES			
Other provisions	10	(853,990)	(1,122,424)
		<u>(853,990)</u>	<u>(1,122,424)</u>
NET ASSETS			
		<u>450,530</u>	<u>444,522</u>
CAPITAL AND RESERVES			
Called up share capital	11	2,385	2,385
Share premium account		908,547	908,547
Profit and loss account		(460,402)	(466,410)
		<u>450,530</u>	<u>444,522</u>

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2021

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.

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: 29 September 2022

The notes on form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

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. ACCOUNTING POLICIES (continued)

2.7 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.

2.8 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. These are normally amortised over a period of 5 to 10 year from acquisition.

2.9 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:

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 PERIOD ENDED 31 DECEMBER 2021**

2. ACCOUNTING POLICIES (continued)

2.10 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.

2.11 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.

2.12 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.

2.13 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 PERIOD ENDED 31 DECEMBER 2021**

2. ACCOUNTING POLICIES (continued)

2.14 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 period was 15 (2020: 15).

4. INTANGIBLE ASSETS

	Goodwill - RIFAs £	Goodwill - Other £	Total £
COST			
At 1 January 2021	7,594,546	631,802	8,226,348
At 31 December 2021	7,594,546	631,802	8,226,348
AMORTISATION			
At 1 January 2021	6,472,122	427,942	6,900,064
Charge for the period on owned assets	268,434	63,984	332,418
At 31 December 2021	6,740,556	491,926	7,232,482
NET BOOK VALUE			
At 31 December 2021	853,990	139,876	993,866
At 31 December 2020	1,122,424	203,860	1,326,284

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021

5. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Office equipment £	Total £
COST OR VALUATION			
At 1 January 2021	4,526	35,481	40,007
Disposals	-	(2,883)	(2,883)
At 31 December 2021	4,526	32,598	37,124
DEPRECIATION			
At 1 January 2021	3,307	29,582	32,889
Charge for the period on owned assets	588	2,427	3,015
Disposals	-	(2,883)	(2,883)
At 31 December 2021	3,895	29,126	33,021
NET BOOK VALUE			
At 31 December 2021	631	3,472	4,103
At 31 December 2020	1,219	5,899	7,118

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021

6. DEBTORS

	2021 £	2020 £
DUE AFTER MORE THAN ONE YEAR		
Other debtors	52,839	41,532
	<u>52,839</u>	<u>41,532</u>
	2021 £	2020 £
DUE WITHIN ONE YEAR		
Trade debtors	220,517	208,544
Other debtors	142,190	71,391
Prepayments and accrued income	39,320	41,011
	<u>402,027</u>	<u>320,946</u>

7. CASH AND CASH EQUIVALENTS

	2021 £	2020 £
Cash at bank and in hand	270,584	132,633
	<u>270,584</u>	<u>132,633</u>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade creditors	169,002	167,136
Other taxation and social security	33,108	29,320
Obligations under finance lease and hire purchase contracts	789	1,104
Accruals and deferred income	205,331	52,788
	<u>408,230</u>	<u>250,348</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021

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

	2021 £	2020 £
Net obligations under finance leases and hire purchase contracts	-	550
Dividends payable	10,669	10,669
	<u>10,669</u>	<u>11,219</u>

10. PROVISIONS

	Deferred considerat'n - RIFAs £
At 1 January 2021	1,122,424
Utilised in period	(268,434)
AT 31 DECEMBER 2021	<u><u>853,990</u></u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

11. SHARE CAPITAL

	2021 £	2020 £
ALLOTTED, CALLED UP AND FULLY PAID		
2,329 (2020: 2,329) Ordinary shares of £1.00 each	2,329	2,329
562 (2020: 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 £23,087 (31 December 2020: £17,179). Contributions totalling £4,331 (31 December 2020: £1,924) were payable to the fund at the reporting date.

13. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021 £	2020 £
Not later than 1 year	90,105	90,420
Later than 1 year and not later than 5 years	-	105
	<u>90,105</u>	<u>90,525</u>

14. TRANSACTIONS WITH DIRECTORS

During the year, the company maintained loans to directors and received interest of £5,307 (31 December 2020: £4,754). The amount owing to the company at the year end was £152,839 (31 December 2020: £148,365). Repayments during the year amounted to £6,000 (31 December 2020: £Nil) and advances of £12,000 (31 December 2020: £18,000) were made. All amounts are repayable on demand.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

15. RELATED PARTY TRANSACTIONS

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 (31 December 2020: £Nil). The amount owing by the company at the year end was £1,008 (31 December 2020: £847).

Transactions and balances with companies with control of a significant shareholder

During the year, the company provided a £64,000 (2020: £Nil) loan. This loan was provided to a company that wholly owns a subsidiary with a significant shareholding in Black Swan Capital Ltd.

Transactions and balances with companies with common shareholders

During the year, the company received £2,055 from a company with common shareholders (31 December 2020: £82,582 was paid for general expenses including rent & service charges to the same company). The amount owing to the company with common shareholders at the end of the year was £Nil (31 December 2020: £29,783).

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 period ended 31 December 2021 was unqualified.

The audit report was signed on 30 September 2022 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.