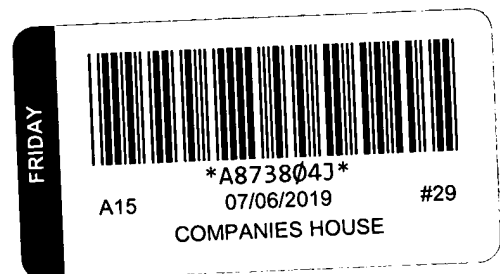


Company Registration No. 05390958 (England and Wales)

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



BLACKFINCH FINANCIAL LIMITED

COMPANY INFORMATION

Directors	Mr R J Cook Mr R L Simmonds
Company number	05390958
Registered office	1350-1360 Montpellier Court Brockworth Gloucester GL3 4AH
Auditor	Kendall Wadley LLP Granta Lodge 71 Graham Road Malvern Worcestershire WR14 2JS

BLACKFINCH FINANCIAL LIMITED

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BLACKFINCH FINANCIAL 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 activities of the company are that of the provision of employment administration for the group of which it is part, and the receipt of fees in connection with the arrangement of non-regulated portfolio products.

Fair review of the business

The results for the company show a pre tax profit of £1,910,497 for the year (2017 : £451,005)

The company paid no dividends to its parent company, Blackfinch Group Limited and there were no significant events requiring disclosure in the financial statements after the balance sheet date.

The company is supported by funding from fellow subsidiary undertaking and shareholder's funds amount to a surplus of £424,516 (2017 : a deficit of £1,122,986).

The group has developed new products and services and expanded its distribution network to exploit these opportunities. As such, the director expects the group to continue to develop new opportunities and focus on growth of revenue streams which will, in time, strengthen the balance sheet of this company.

Principal risks and uncertainties

The board works closely with the heads of operations for the group of which it is part, legal, investment management and distribution to manage the key areas of risk to the company.

Linked to the products and services which the group provides are various legislative risks surrounding statutory tax legislation; regular dialogue with accountancy, tax and legal advisers is maintained to ensure that there is a thorough understanding of tax legislation and the changes as they occur such that the potential for an impact on the operations of this company is minimal.

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

The group has agreements to provide services to businesses which look likely to require these services for the foreseeable future.

On behalf of the board



Mr R J Cook

Director

19 February 2019

BLACKFINCH FINANCIAL 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 activities of the company are that of the provision of employment administration for the group of which it is part, and the receipt of fees in connection with the arrangement of non-regulated portfolio products.

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.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Auditor

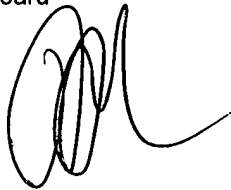
In accordance with the company's articles, a resolution proposing that Kendall Wadley LLP be reappointed as auditor of the company will be put at a General Meeting.

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 FINANCIAL 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 FINANCIAL LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BLACKFINCH FINANCIAL LIMITED

Opinion

We have audited the financial statements of Blackfinch Financial 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 FINANCIAL LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF BLACKFINCH FINANCIAL 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 FINANCIAL LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 OCTOBER 2018

	Notes	2018 £	2017 £
Turnover	3	2,165,605	500,000
Administrative expenses		(255,116)	(48,995)
Operating profit	4	1,910,489	451,005
Interest receivable and similar income	6	8	-
Profit before taxation		1,910,497	451,005
Tax on profit	7	(362,995)	(91,103)
Profit for the financial year		1,547,502	359,902

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

BLACKFINCH FINANCIAL LIMITED

BALANCE SHEET

AS AT 31 OCTOBER 2018

	Notes	2018 £	£	2017 £	£
Current assets					
Debtors	9	3,618,727		799,182	
Cash at bank and in hand		15,612		2,728	
		<u>3,634,339</u>		<u>801,910</u>	
Creditors: amounts falling due within one year	10	(3,209,823)		(1,924,896)	
Net current assets/(liabilities)			<u>424,516</u>		<u>(1,122,986)</u>
Capital and reserves					
Called up share capital	13		1,000		1,000
Profit and loss reserves			<u>423,516</u>		<u>(1,123,986)</u>
Total equity			<u>424,516</u>		<u>(1,122,986)</u>

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. 05390958

BLACKFINCH FINANCIAL 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	1,000	(1,483,888)	(1,482,888)
Year ended 31 October 2017:			
Profit and total comprehensive income for the year	-	359,902	359,902
	<hr/>	<hr/>	<hr/>
Balance at 31 October 2017	1,000	(1,123,986)	(1,122,986)
Year ended 31 October 2018:			
Profit and total comprehensive income for the year	-	1,547,502	1,547,502
	<hr/>	<hr/>	<hr/>
Balance at 31 October 2018	<u>1,000</u>	<u>423,516</u>	<u>424,516</u>

BLACKFINCH FINANCIAL LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 OCTOBER 2018

	Notes	2018 £	£	2017 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	17		12,876		(14,387)
Investing activities					
Interest received		8		-	
Net cash generated from/(used in) investing activities			8		-
Net cash used in financing activities			-		-
Net increase/(decrease) in cash and cash equivalents			12,884		(14,387)
Cash and cash equivalents at beginning of year			2,728		17,115
Cash and cash equivalents at end of year			15,612		2,728

BLACKFINCH FINANCIAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2018

1 Accounting policies

Company information

Blackfinch Financial 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 group of which this company is part of 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 represents amounts receivable in connection with fees for services rendered and arrangement fees.

1.4 Cash at bank and in hand

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less.

1.5 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 FINANCIAL 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 and loans from fellow group companies are classified as debt, 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 payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

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.

1.6 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.

1.7 Taxation

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

BLACKFINCH FINANCIAL 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.

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.

1.8 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.

1.9 Retirement benefits

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

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.

BLACKFINCH FINANCIAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2018 £	2017 £
Turnover analysed by class of business		
Arrangement fees	2,155,000	500,000
Other income	10,605	-
	<u>2,165,605</u>	<u>500,000</u>

	2018 £	2017 £
Turnover analysed by geographical market		
UK income	<u>2,165,605</u>	<u>500,000</u>

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	<u>8,630</u>	<u>4,800</u>

5 Employees

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

	2018 Number	2017 Number
Directors	2	2
Administrative	5	1
	<u>7</u>	<u>3</u>

BLACKFINCH FINANCIAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

5 Employees

(Continued)

Their aggregate remuneration comprised:

	2018 £	2017 £
Wages and salaries	184,673	35,460
Social security costs	22,419	4,540
Pension costs	5,134	-
	<u>212,226</u>	<u>40,000</u>

Redundancy payments made or committed

30,000	-
<u>30,000</u>	<u>-</u>

6 Interest receivable and similar income

	2018 £	2017 £
Interest income		
Interest on bank deposits	8	-
	<u>8</u>	<u>-</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	8	-
	<u>8</u>	<u>-</u>

7 Taxation

	2018 £	2017 £
Current tax		
UK corporation tax on profits for the current period	345,845	-
	<u>345,845</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences	17,150	91,103
	<u>17,150</u>	<u>91,103</u>
Total tax charge	<u>362,995</u>	<u>91,103</u>

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

BLACKFINCH FINANCIAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

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	1,910,497	451,005
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2017: 19.41%)	362,995	87,540
Effect of change in corporation tax rate	-	3,563
Taxation charge for the year	362,995	91,103

The company has estimated losses of £nil (2017 : £90,261) available for carry forward against future trading profits.

8 Financial instruments

	2018 £	2017 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	3,617,150	781,079
Carrying amount of financial liabilities		
Measured at amortised cost	2,739,703	1,830,808

9 Debtors

	2018 £	2017 £
Amounts falling due within one year:		
Amounts owed by group undertakings	3,617,150	781,079
Prepayments and accrued income	1,577	953
	3,618,727	782,032
Deferred tax asset (note 11)	-	17,150
	3,618,727	799,182

BLACKFINCH FINANCIAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

10 Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	-	312
Amounts owed to group undertakings	1,720,500	1,823,000
Corporation tax	345,845	-
Other taxation and social security	124,275	94,088
Other creditors	12,703	2,846
Accruals and deferred income	1,006,500	4,650
	<u>3,209,823</u>	<u>1,924,896</u>

11 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 for financial reporting purposes:

	Assets 2018 £	Assets 2017 £
Balances:		
Tax losses	-	17,150
	<u>-</u>	<u>17,150</u>
Movements in the year:		2018 £
Asset at 1 November 2017		(17,150)
Charge to profit or loss		17,150
Liability at 31 October 2018		<u>-</u>

12 Retirement benefit schemes

	2018 £	2017 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	5,134	-
	<u>5,134</u>	<u>-</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.

BLACKFINCH FINANCIAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

13 Share capital

	2018 £	2017 £
Ordinary share capital		
Issued and fully paid		
1,000 Ordinary Shares of £1 each	1,000	1,000
	<u>1,000</u>	<u>1,000</u>

14 Financial commitments, guarantees and contingent liabilities

The company has granted an unlimited all monies guarantee in favour of Lloyds Bank Plc together with other such security as the bank may from time to time hold for the debts and liabilities of the guarantor dated 11 June 2009 for the overdraft facility held in Blackfinch Corporate Services Limited.

15 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2018 £	2017 £
Aggregate compensation	184,673	35,460

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.

16 Controlling party

The immediate parent company is Blackfinch Investment Group International Limited, a company registered in England and Wales, who own 100% of the issued share capital. The ultimate parent company is BF Inter Limited, also incorporated in England and Wales. Copies of group accounts can be obtained from 1350-1360 Montpellier Court, Gloucester Business Park, Gloucester, GL3 4AH.

The ultimate controlling party is Richard Cook who owns 55% of the share capital in BF Inter Limited.

BLACKFINCH FINANCIAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

17 Cash generated from operations

	2018 £	2017 £
Profit for the year after tax	1,547,502	359,902
Adjustments for:		
Taxation charged	362,995	91,103
Investment income	(8)	-
Movements in working capital:		
(Increase) in debtors	(2,836,695)	(705,644)
Increase in creditors	939,082	240,252
Cash generated from/(absorbed by) operations	<u>12,876</u>	<u>(14,387)</u>