

Company Registration No. 05390958 (England and Wales)

BLACKFINCH FINANCIAL LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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BLACKFINCH FINANCIAL LIMITED

COMPANY INFORMATION

Directors	R J Cook R L Simmonds
Company number	05390958
Registered office	1350-1360 Montpelier 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 DECEMBER 2021

The directors present the strategic report and financial statements for the year ended 31 December 2021.

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 company provides resource within the Group which concentrates on arranging and executing energy projects. The directors expect a growth of these revenue streams next year.

The results for the company show a pre tax loss of £438,615 for the period (2020 profit of £1,276,554)

The company paid dividends of £nil (2020 : £1,450,000) 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 has no external borrowing and shareholder's funds amount to a deficit of £289,178 (2020 surplus of £39,556).

Principal risks and uncertainties

Key risks relate to the nature of Brexit and also the ongoing Covid 19 situation. The group reacted quickly to adjust to the new working methods under government guidelines, with a range of risk management strategies and provisions to ensure business continuity. Investments performed in line with expectations and client investment redemptions were minimal. The group has continued to raise a healthy flow of new funds and investment management activities continue to generate revenue. The management team are confident in the group's resilience and ability to trade and adjust to the 'new normal'.

On behalf of the board


R J Cook
Director

27 April 2022

BLACKFINCH FINANCIAL LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their annual report and financial statements for the year ended 31 December 2021.

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.

Results and dividends

The results for the year are set out on page 8.

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

Directors

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

R J Cook
R L Simmonds

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

R J Cook
Director



27 April 2022

BLACKFINCH FINANCIAL LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2021

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 December 2021 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 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 December 2021 and of its loss 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with management, and from our commercial knowledge and experience of the industry;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

BLACKFINCH FINANCIAL LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF BLACKFINCH FINANCIAL LIMITED

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations; and
- understanding the design of the company's remuneration policies.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

BLACKFINCH FINANCIAL LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF BLACKFINCH FINANCIAL LIMITED

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

27 April 2022 .

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 DECEMBER 2021

	Notes	2021 £	2020 £
Turnover	3	1,425,000	4,396,000
Cost of sales		(712,500)	(2,198,000)
Gross profit		712,500	2,198,000
Administrative expenses		(1,147,278)	(976,196)
Other operating income		-	65,870
Operating (loss)/profit	4	(434,778)	1,287,674
Interest receivable and similar income	7	123	-
Interest payable and similar expenses	8	(3,960)	(11,120)
(Loss)/profit before taxation		(438,615)	1,276,554
Tax on (loss)/profit	9	109,881	(242,545)
(Loss)/profit for the financial year		(328,734)	1,034,009

The profit and loss account has been prepared on the basis that all operations are continuing operations.

BLACKFINCH FINANCIAL LIMITED

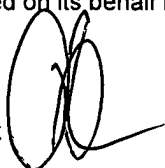
BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Current assets					
Debtors	11	1,012,469		1,199,953	
Cash at bank and in hand		68,120		245	
		<u>1,080,589</u>		<u>1,200,198</u>	
Creditors: amounts falling due within one year	12	<u>(1,369,767)</u>		<u>(1,160,642)</u>	
Net current (liabilities)/assets			<u>(289,178)</u>		<u>39,556</u>
Capital and reserves					
Called up share capital	14		1,000		1,000
Profit and loss reserves			<u>(290,178)</u>		<u>38,556</u>
Total equity			<u>(289,178)</u>		<u>39,556</u>

The financial statements were approved by the board of directors and authorised for issue on 27 April 2022 and are signed on its behalf by:

R J Cook
Director



Company Registration No. 05390958

BLACKFINCH FINANCIAL LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2021

		Share capital £	Profit and loss reserves £	Total £
Balance at 1 January 2020		1,000	454,547	455,547
Year ended 31 December 2020:				
Profit and total comprehensive income for the year		-	1,034,009	1,034,009
Dividends	10	-	(1,450,000)	(1,450,000)
Balance at 31 December 2020		1,000	38,556	39,556
Year ended 31 December 2021:				
Loss and total comprehensive income for the year		-	(328,734)	(328,734)
Balance at 31 December 2021		1,000	(290,178)	(289,178)

BLACKFINCH FINANCIAL LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from operations	18	303,023		2,008,475	
Interest paid		(3,960)		(11,120)	
Income taxes paid		(231,311)		(584,432)	
Net cash inflow from operating activities		67,752		1,412,923	
Investing activities					
Interest received		123		-	
Net cash generated from/(used in) investing activities		123		-	
Financing activities					
Dividends paid		-	(1,450,000)		
Net cash used in financing activities		-		(1,450,000)	
Net increase/(decrease) in cash and cash equivalents		67,875		(37,077)	
Cash and cash equivalents at beginning of year		245		37,322	
Cash and cash equivalents at end of year		68,120		245	

BLACKFINCH FINANCIAL LIMITED

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

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.

The financial statements of the company are consolidated in the financial statements of BF Inter Ltd. These consolidated financial statements are available from its registered office, 1350-1360 Montpellier Court, Brockworth, Gloucester, GL3 4AH.

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 and cash equivalents

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 DECEMBER 2021

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.

BLACKFINCH FINANCIAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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.

1.8 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

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.

1.10 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.

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:

	2021 £	2020 £
Turnover analysed by class of business		
Arrangement fees	1,425,000	4,396,000

BLACKFINCH FINANCIAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

3 Turnover and other revenue (Continued)

	2021	2020
	£	£
Turnover analysed by geographical market		
UK income	1,425,000	4,396,000

4 Operating (loss)/profit

	2021	2020
	£	£
Operating (loss)/profit for the year is stated after charging/(crediting):		
Government grants	-	(65,870)
Fees payable to the company's auditor for the audit of the company's financial statements	7,200	8,400

5 Employees

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

	2021	2020
	Number	Number
Directors	2	- 2
Administrative	8	8
Total	10	10

Their aggregate remuneration comprised:

	2021	2020
	£	£
Wages and salaries	936,107	827,946
Social security costs	103,488	95,071
Pension costs	41,846	26,390
	1,081,441	949,407

Redundancy payments made and committed in the year are £49,080 (2020 : £48,750).

BLACKFINCH FINANCIAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

6 Directors' remuneration

	2021 £	2020 £
Remuneration for qualifying services	330,335	307,800
Company pension contributions to defined contribution schemes	18,098	9,234
	<u>348,433</u>	<u>317,034</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2020 - 2).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2021 £	2020 £
Remuneration for qualifying services	246,335	187,500
Company pension contributions to defined contribution schemes	14,249	5,615
	<u>260,584</u>	<u>193,115</u>

7 Interest receivable and similar income

	2021 £	2020 £
Interest income		
Other interest income	123	-
	<u>123</u>	<u>-</u>

8 Interest payable and similar expenses

	2021 £	2020 £
Other finance costs:		
Other interest	3,960	11,120
	<u>3,960</u>	<u>11,120</u>

9 Taxation

	2021 £	2020 £
Current tax		
UK corporation tax on profits for the current period	(83,337)	242,545
Adjustments in respect of prior periods	(26,544)	-
Total current tax	<u>(109,881)</u>	<u>242,545</u>

BLACKFINCH FINANCIAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

9 Taxation

(Continued)

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

	2021 £	2020 £
(Loss)/profit before taxation	(438,615)	1,276,554
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	(83,337)	242,545
Adjustments in respect of prior years	(26,544)	-
Taxation (credit)/charge for the year	(109,881)	242,545

The prior year adjustment relates to research and development claims for 2020.

10 Dividends

	2021 £	2020 £
Final paid	-	1,450,000

11 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Amounts owed by group undertakings	1,007,361	1,196,809
Prepayments and accrued income	5,108	3,144
	1,012,469	1,199,953

12 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	3	995
Amounts owed to group undertakings	-	488,974
Corporation tax	3,940	345,132
Other taxation and social security	269,985	225,186
Other creditors	68,132	38,125
Accruals and deferred income	1,027,707	62,230
	1,369,767	1,160,642

BLACKFINCH FINANCIAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

13 Retirement benefit schemes

	2021	2020
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	41,846	26,390

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.

14 Share capital

	2021	2020	2021	2020
	Number	Number	£	£
Ordinary share capital Issued and fully paid				
Ordinary Shares of £1 each	1,000	1,000	1,000	1,000

15 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.

Blackfinch Financial Limited has a contingent liability on arrangement fees estimated at £300,000 (2020 £500,000) if the terms of the agreement are not satisfied.

16 Ultimate controlling party

The immediate parent company is Blackfinch Group Limited, a company registered in England and Wales, who own 100% of the issued share capital. The ultimate parent company is BF Inter Ltd, 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 Ltd.

BLACKFINCH FINANCIAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

17 Related party transactions

The company is a 100% owned subsidiary of Blackfinch Group 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.

18 Cash generated from operations

	2021 £	2020 £
(Loss)/profit for the year after tax	(328,734)	1,034,009
Adjustments for:		
Taxation (credited)/charged	(109,881)	242,545
Finance costs	3,960	11,120
Investment income	(123)	-
Movements in working capital:		
Decrease in debtors	187,484	984,295
Increase/(decrease) in creditors	550,317	(263,494)
Cash generated from operations	303,023	2,008,475

19 Analysis of changes in net funds

	1 January 2021 £	Cash flows £	31 December 2021 £
Cash at bank and in hand	245	67,875	68,120