

Registered number: 07637003

BLACK SWAN DATA LTD

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



BLACK SWAN DATA LTD

COMPANY INFORMATION

Directors	S King T Akashi H Amos M Dima P Edmondson-Jones M Green E Lascelles J P Williams
Company secretary	Irwin Mitchell LLP
Registered number	07637003
Registered office	12th Floor WeWork Building 10 York Road London SE1 7ND
Independent auditor	Crowe U.K. LLP Riverside House 40 - 46 High Street Maidstone Kent ME14 1JH

BLACK SWAN DATA LTD

CONTENTS

	Page
Group Strategic Report	1 - 3
Directors' Report	4 - 5
Independent Auditor's Report	6 - 9
Consolidated Statement of Comprehensive Income	10
Consolidated Balance Sheet	11
Company Balance Sheet	12
Consolidated Statement of Changes in Equity	13 - 14
Company Statement of Changes in Equity	15 - 16
Consolidated Statement of Cash Flows	17 - 18
Consolidated Analysis of Net Debt	19
Notes to the Financial Statements	20 - 45

BLACK SWAN DATA LTD

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their strategic report together with the audited financial statements for the year ended 31 December 2021.

Principal activities

The group and company's principal activity is the development of software products and provision of consultancy services in the interactive and data analytics market. The company also acts as a holding entity for other group companies.

The company's proprietary software product Trendscape™ brings the earliest, most accurate trend predictions to large, multinational consumer brands across Europe, North America and the Asia Pacific region. By analysing millions of real-time online consumer conversations, Trendscape™ evaluates, ranks, and predicts every category trend by its future growth potential, helping customers determine which trends will matter most to consumers. Its output enables companies to make faster and smarter innovation decisions that ultimately help them get to market first.

Business review

Turnover of the group for the year ended 31 December 2021 was £8,455,000 compared to £17,708,000 for the previous period of 31 December 2020. Following the pandemic, the aviation industry suffered severe losses which impacted the supply chain, including Black Swan's aviation services division. The board decided to withdraw from the industry and closed this division down, the impact of which resulted in the turnover reduction in 2021. The Trend prediction business continued to develop apace, with recurring licence revenues growing 68% over the year. Losses after tax for the current year were £6,991,000 compared to a £2,547,000 for the previous year. This loss is attributed to the close down of the aviation services division.

The US commercial hub has continued to grow with the addition of multiple new significant customer contracts providing a platform for continued expansion in North America alongside European and APAC markets.

Looking ahead, the company's management team are continuing their focus and investment on growing the business in international markets, innovating its proprietary software product Trendscape™ and research and development of future data led offerings. The market for tech-enabled market research offerings is experiencing strong growth as consumer trends are changing faster than ever with companies losing market share to small, agile competitors.

On 26 March 2021, the group completed a funding round with existing board members. The funding of £5,000,000 before fees was a result of a share subscription from existing shareholders. Included within this agreement, Mitsui converted their existing loan of £3m to shares.

On 17 September 2021, the company received its termination settlement for the Panasonic contract termination to the value of \$647,000.

During the year the company also received further funding via the US Government loan for Payroll Protection to the value of \$1,119,372.

BLACK SWAN DATA LTD

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Principal risks and uncertainties

The process of risk management is addressed through a framework of policies, procedures, and internal controls. All policies are subject to board approval and ongoing review by management, risk management and internal audit.

Liquidity risk

The group uses a variety of financial instruments including cash and various items such as trade debtors and creditors that arise directly from its operations. The main purpose of these instruments is to provide working capital for the group's operations. The Directors believe that the group has sufficient working capital to meet its liabilities as they fall due and regularly reviews this situation.

Foreign currency risk

The group's principal foreign currency exposures arise from trading with overseas companies. Group policy permits but does not demand that these exposures may be hedged in order to fix the cost in sterling.

Credit risk

All customers who wish to trade on credit terms are subject to credit verification processes. Trade debtors are monitored on an ongoing basis and provisions are made for doubtful debts where necessary. Credit risk also arises from bank and cash balances held with banks and financial institutions. For banks and financial institutions, only independently rated parties with minimum rating "A" are accepted.

Research and development risk

The group invests significantly in the development of software platforms for future commercial exploitation. Due to the nature of research and development, particularly in the rapidly changing market in which the group operates, a return on this investment is not guaranteed however the group regularly assesses these investments with the goal of ensuring that it can adapt to market and competitive trends and can reasonably expect such a return.

Cash flow interest rate risk

The group is not exposed to cash flow interest rate risk from long-term borrowings. It is currently the group policy to borrow long term debts only at fixed interest rate.

Financial key performance indicators

The KPI's for the group can be found within the business review.

BLACK SWAN DATA LTD

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Going concern

The directors have assessed the need for further funding in order to support the group's ongoing operations and continued revenue growth and have prepared cash flow forecasts to assess both the immediate and long-term capital requirements. The assumptions underlying the forecasts have been challenged, varied and tested to establish likelihood of a range of possible outcomes including reasonable sensitivities.

On 7th December 2022, the company agreed terms for equity financing of £3,508,000 from existing shareholders, which was received on 12th December 2022, and a debt repayment holiday with cumulative positive cash impact over the next 14 months of £700,000.

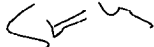
The directors have reviewed the sensitised forecasts and confirm that there that there is sufficient cash headroom to operate on a going concern basis for at least the next twelve months. The financial statements do not include any adjustments that would result in the group being unable to continue as a going concern.

On the basis of the group's current business activity, cost reductions and funding from shareholders, the directors have a reasonable expectation that the group will be able to continue operations for the foreseeable future. Thus, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

With the continued support of the shareholders and loan note holders, the directors are confident that the group and company will have sufficient funds available to meet its obligations as they fall due for a period not limited to twelve months from the approval of these financial statements. The directors, therefore, consider it appropriate to prepare the financial statements on a going concern basis.

This report was approved by the board on 20/12/2022

and signed on its behalf.


Signer ID: SEVHXKXMIWES...

S King
Director

BLACK SWAN DATA LTD

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

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

Directors' responsibilities statement

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group and to 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The loss for the year, after taxation, amounted to £6,991,000 (2020 - £2,547,000 loss).

Directors

The directors who served during the year were:

S King
H Amos
M Dima (appointed 1 March 2021)
M Green (appointed 1 March 2021)
K Hills (resigned 24 March 2021)
E Lascelles
D Shimizu (appointed 27 April 2021, resigned 1 March 2022)
K Tsuda (appointed 1 March 2022, resigned 1 May 2022)
M Ujjiie (resigned 27 April 2021)
J P Williams

Future developments and post balance sheet events

The future development of the business are included with the Group Strategic Report.

BLACK SWAN DATA LTD

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Matters covered in the Group Strategic Report

As permitted by paragraph 1A of schedule 7 to the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulation 2008, certain matters which are required to be disclosed in the Directors' Report have been omitted as they are included in the strategic report. These matters relate to the principal activity of the group, the risks that it faces, and going concern.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

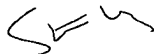
- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

Auditor

The auditor, Crowe U.K. LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 20/12/2022

and signed on its behalf.


Signer ID: SEWHXXKWWE9...

S King
Director

BLACK SWAN DATA LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BLACK SWAN DATA LTD

Opinion

We have audited the financial statements of Black Swan Data Ltd (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2021, which comprise the Group Statement of Comprehensive Income, the Group and Company Balance Sheets, the Group Statement of Cash Flows, the Group and Company Statement of Changes in Equity and the related notes, 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 Financial Reporting Standard 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 Group's and of the parent Company's affairs as at 31 December 2021 and of the Group's 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 Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Group's or the parent 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.

BLACK SWAN DATA LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BLACK SWAN DATA LTD (CONTINUED)

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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Group 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 Group Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company 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 set out on page 4, 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 Group's and the parent 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 Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

BLACK SWAN DATA LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BLACK SWAN DATA LTD (CONTINUED)

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 Group 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:

We obtained an understanding of the legal and regulatory frameworks within which the company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 and Taxation legislation.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management.

Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals and reviewing accounting estimates for biases.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

BLACK SWAN DATA LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BLACK SWAN DATA LTD (CONTINUED)

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.

Crowe U.K. LLP

Mark Anderson (Senior Statutory Auditor)

for and on behalf of

Crowe U.K. LLP

Statutory Auditor

Riverside House
40 - 46 High Street

Maidstone

Kent

ME14 1JH

Date: 22nd December 2022

BLACK SWAN DATA LTD

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 £000	2020 £000
Turnover	4	8,455	17,708
Cost of sales		(5,420)	(9,339)
Gross profit		3,035	8,369
Administrative expenses		(11,998)	(15,077)
Other operating income	5	43	1,369
Exceptional items	6	963	-
Share based payments	25	(259)	1,365
Operating loss	7	(8,216)	(3,974)
Amounts written off investments		-	(243)
Interest receivable and similar income	11	677	-
Interest payable and similar expenses	12	(340)	(483)
Loss before taxation		(7,879)	(4,700)
Tax on loss	13	888	2,153
Loss for the financial year		(6,991)	(2,547)
Foreign exchange losses		(114)	(95)
Other comprehensive income for the year		(114)	(95)
Total comprehensive income for the year		(7,105)	(2,642)

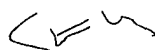
The notes on pages 20 to 45 form part of these financial statements.

BLACK SWAN DATA LTD
REGISTERED NUMBER: 07637003

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 £000	2020 £000
Fixed assets			
Intangible assets	14	-	15
Tangible assets	15	168	215
Investments	16	9	9
		<u>177</u>	<u>239</u>
Current assets			
Debtors: amounts falling due within one year	17	4,210	4,107
Cash at bank and in hand	18	313	776
		<u>4,523</u>	<u>4,883</u>
Creditors: amounts falling due within one year	19	(6,088)	(9,598)
Net current liabilities		<u>(1,565)</u>	<u>(4,715)</u>
Total assets less current liabilities		<u>(1,388)</u>	<u>(4,476)</u>
Creditors: amounts falling due after more than one year	20	(871)	-
Net liabilities		<u>(2,259)</u>	<u>(4,476)</u>
Capital and reserves			
Called up share capital	23	15	4
Share premium account	24	24,335	15,283
Share based payment reserve	24	49	798
Foreign exchange reserve	24	(209)	(95)
Profit and loss account	24	(26,449)	(20,466)
		<u>(2,259)</u>	<u>(4,476)</u>

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


signerID:5EWHXRMWE9...

S King 20/12/2022
 Director

The notes on pages 20 to 45 form part of these financial statements.

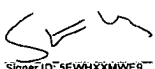
BLACK SWAN DATA LTD
REGISTERED NUMBER: 07637003

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 £000	2020 £000
Fixed assets			
Intangible assets	14	-	2
Tangible assets	15	59	112
Investments	16	229	229
		<u>288</u>	<u>343</u>
Current assets			
Debtors: amounts falling due within one year	17	3,219	3,662
Cash at bank and in hand	18	205	482
		<u>3,424</u>	<u>4,144</u>
Creditors: amounts falling due within one year	19	(7,960)	(10,879)
Net current liabilities		<u>(4,536)</u>	<u>(6,735)</u>
Total assets less current liabilities		<u>(4,248)</u>	<u>(6,392)</u>
Creditors: amounts falling due after more than one year	20	(41)	-
Net liabilities		<u>(4,289)</u>	<u>(6,392)</u>
Capital and reserves			
Called up share capital	23	15	4
Share premium account	24	24,335	15,283
Share based payment reserve	24	49	798
Profit and loss account	24	(28,688)	(22,477)
		<u>(4,289)</u>	<u>(6,392)</u>

The loss for the financial year dealt with in the financial statements of the parent entity was £6,696,000 (2020 - £4,386,000 loss)

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

 20/12/2022
Signer ID: SEWHXGMWE9...

S King
Director

The notes on pages 20 to 45 form part of these financial statements.

BLACK SWAN DATA LTD

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Called up share capital £000	Share premium account £000	Share based payment reserve £000	Foreign exchange reserve £000	Profit and loss account £000	Total equity £000
At 1 January 2021	4	15,283	798	(95)	(20,466)	(4,476)
Comprehensive income for the year						
Loss for the year	-	-	-	-	(6,991)	(6,991)
Foreign exchange movement	-	-	-	(114)	-	(114)
Total comprehensive income for the year	-	-	-	(114)	(6,991)	(7,105)
Shares issued during the year	11	9,164	-	-	-	9,175
Share issue transaction costs	-	(112)	-	-	-	(112)
Acceleration of share based payment charge for cancelled share options	-	-	210	-	-	210
Transfer of cancelled share options to profit and loss account	-	-	(1,008)	-	1,008	-
Share based payment charge on new share options issued	-	-	49	-	-	49
Total transactions with owners	11	9,052	(749)	-	1,008	9,322
At 31 December 2021	15	24,335	49	(209)	(26,449)	(2,259)

The notes on pages 20 to 45 form part of these financial statements.

BLACK SWAN DATA LTD

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

	Called up share capital £000	Share premium account £000	Share based payment reserve £000	Foreign exchange reserve £000	Profit and loss account £000	Total equity £000
At 1 January 2020	3	13,357	2,163	-	(17,919)	(2,396)
Comprehensive income for the year						
Loss for the year	-	-	-	-	(2,547)	(2,547)
Foreign exchange movement	-	-	-	(95)	-	(95)
Total comprehensive income for the year	-	-	-	(95)	(2,547)	(2,642)
Shares issued during the year	1	1,926	-	-	-	1,927
Share based payment charge	-	-	(1,365)	-	-	(1,365)
Total transactions with owners	1	1,926	(1,365)	-	-	562
At 31 December 2020	4	15,283	798	(95)	(20,466)	(4,476)

The notes on pages 20 to 45 form part of these financial statements.

BLACK SWAN DATA LTD

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital £000	Share premium account £000	Share based payment reserve £000	Profit and loss account £000	Total equity £000
At 1 January 2021	4	15,283	798	(22,477)	(6,392)
Comprehensive income for the year					
Loss for the year	-	-	-	(7,219)	(7,219)
Total comprehensive income for the year	-	-	-	(7,219)	(7,219)
Shares issued during the year	11	9,164	-	-	9,175
Share issue transaction costs	-	(112)	-	-	(112)
Acceleration of share based payment charge for cancelled share options	-	-	210	-	210
Transfer of cancelled share options to profit and loss account	-	-	(1,008)	1,008	-
Share based payment charge on new share options issued	-	-	49	-	49
Total transactions with owners	11	9,052	(749)	1,008	9,322
At 31 December 2021	15	24,335	49	(28,688)	(4,289)

The notes on pages 20 to 45 form part of these financial statements.

BLACK SWAN DATA LTD

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

	Called up share capital	Share premium account	Share based payment reserve	Profit and loss account	Total equity
	£000	£000	£000	£000	£000
At 1 January 2020	3	13,357	2,163	(18,091)	(2,568)
Comprehensive income for the year					
Loss for the year	-	-	-	(4,386)	(4,386)
Total comprehensive income for the year	-	-	-	(4,386)	(4,386)
Shares issued during the year	1	1,926	-	-	1,927
Share based payment charge	-	-	(1,365)	-	(1,365)
Total transactions with owners	1	1,926	(1,365)	-	562
At 31 December 2020	4	15,283	798	(22,477)	(6,392)

The notes on pages 20 to 45 form part of these financial statements.

BLACK SWAN DATA LTD

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 £000	2020 £000
Cash flows from operating activities		
Loss for the financial year	(6,991)	(2,547)
Adjustments for:		
Amortisation of intangible assets	15	29
Depreciation of tangible assets	132	158
Impairments of goodwill	-	166
Loss on disposal of tangible assets	67	148
Government grants	(43)	(1,369)
Interest payable	340	289
Interest receivable	(677)	-
Taxation credit	(888)	(2,153)
Corporation tax received	941	1,693
(Increase)/decrease in debtors	(160)	2,937
Increase/(decrease) in creditors	465	(461)
Foreign exchange	(112)	(70)
Share-based payment charge	259	(1,365)
Net cash generated from operating activities	(6,652)	(2,545)
Cash flows from investing activities		
Purchase of tangible fixed assets	(159)	(200)
Government grants received	43	1,369
Interest received	1	-
Acquisition of subsidiary less cash acquired	-	19
Net cash from investing activities	(115)	1,188

BLACK SWAN DATA LTD

**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

	2021 £000	2020 £000
Cash flows from financing activities		
Issue of shares	5,988	1,754
New loans	2,081	1,300
Repayment of other loans	(1,425)	(1,821)
Interest paid	(340)	(289)
Net cash used in financing activities	<u>6,304</u>	<u>944</u>
Net (decrease) in cash and cash equivalents	<u>(463)</u>	<u>(413)</u>
Cash and cash equivalents at beginning of year	776	1,189
Cash and cash equivalents at the end of year	<u>313</u>	<u>776</u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	313	776
	<u>313</u>	<u>776</u>

The notes on pages 20 to 45 form part of these financial statements.

BLACK SWAN DATA LTD

**CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 DECEMBER 2021**

	At 1 January 2021 £000	Cash flows £000	Other non- cash changes £000	At 31 December 2021 £000
Cash at bank and in hand	776	(463)	-	313
Debt due after 1 year	-	-	(871)	(871)
Debt due within 1 year	(5,025)	895	3,075	(1,055)
	<u>(4,249)</u>	<u>432</u>	<u>2,204</u>	<u>(1,613)</u>

The notes on pages 20 to 45 form part of these financial statements.

BLACK SWAN DATA LTD

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

1. General information

The Group and Company's principal activity is the development of software products and provision of consultancy services in the interactive and data analytics market. The Company also acts as a holding entity for the other group companies.

The Company is a private limited company, limited by shares, and is incorporated in England and Wales (registration number 07637003).

The Company's registered address and principal place of business is:

12th Floor
WeWork Building
10 York Road
London
SE1 7ND

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 Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The presentational and functional currency of these financial statements is GBP. Values are rounded to the nearest thousand.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102.

BLACK SWAN DATA LTD

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

2. Accounting policies (continued)

2.3 Going concern

The directors have assessed the need for further funding in order to support the Group's ongoing operations and continued revenue growth and have prepared cash flow forecasts to assess both the immediate and long-term capital requirements. The assumptions underlying the forecasts have been challenged, varied and tested to establish likelihood of a range of possible outcomes including reasonable sensitivities.

On 7th December 2022, the Company agreed terms for equity financing of £3,508,000 from existing shareholders, which was received on 12th December 2022, and a debt repayment holiday with cumulative positive cash impact over the next 14 months of £700,000.

The directors have reviewed the sensitised forecasts and confirm that there that there is sufficient cash headroom to operate on a going concern basis for at least the next twelve months. The financial statements do not include any adjustments that would result in the group being unable to continue as a going concern.

On the basis of the Group's current business activity, cost reductions and funding from shareholders, the directors have a reasonable expectation that the group will be able to continue operations for the foreseeable future. Thus, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

With the continued support of the shareholders and loan note holders, the directors are confident that the Group and Company will have sufficient funds available to meet its obligations as they fall due for a period not limited to twelve months from the approval of these financial statements. The directors, therefore, consider it appropriate to prepare the financial statements on a going concern basis.

BLACK SWAN DATA LTD

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

2. Accounting policies (continued)

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses are presented in the Consolidated Statement of Comprehensive Income within administrative expenses.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2.5 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Group and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Turnover from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred as a proportion of total costs. Where the outcome cannot be estimated reliably, turnover is recognised only to the extent of the expenses recognised that are recoverable.

Turnover from contracts for the provision of software subscriptions and data access required to deliver professional services outputs are recognised monthly based on the number of months purchased and the amount per month.

BLACK SWAN DATA LTD

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

2. Accounting policies (continued)

2.6 Operating leases: the Group 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.

2.7 Research and development

Research and development costs are recognised as an expense when they are incurred. The Group qualifies for the SME scheme, as such the R&D tax relief is recorded directly to the tax charge. Total qualifying R&D expenditure expensed for the period was £5,226,000 (2020: £4,840,000).

2.8 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants are recognised in the Consolidated Statement of Comprehensive Income in the same period as the related expenditure.

2.9 Interest income

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

2.10 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.

2.11 Borrowing costs

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

2.12 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group 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 Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

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

2. Accounting policies (continued)

2.13 Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Group keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, profit or loss is charged with fair value of goods and services received.

2.14 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

BLACK SWAN DATA LTD

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

2. Accounting policies (continued)

2.15 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Group but are presented separately due to their size or incidence.

2.16 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the Consolidated Statement of Comprehensive Income over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Patents	-	5	years
---------	---	---	-------

2.17 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.

Depreciation is provided on the following basis:

Fixtures and fittings	-	33%	per annum straight line
Computer equipment	-	33%	per annum 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 DECEMBER 2021

2. Accounting policies (continued)

2.18 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.19 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.20 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.

2.21 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.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.22 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.

2.23 Financial instruments

The Group 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 banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially

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

2. Accounting policies (continued)

2.23 Financial instruments (continued)

at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an 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.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following judgements:

Impairment of tangible and intangible assets

The directors have determined whether there are indicators of impairment of the Group's tangible and intangible assets, including goodwill. Factors taken into consideration in reaching such a decision include the economic viability and expected future performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Impairment of investments in subsidiaries

The directors have determined whether there are indicators of impairment of the Company's investments in subsidiaries. Factors taken into consideration in reaching such a decision include the economic viability and expected future performance of the investments.

Other key sources of estimation uncertainty include:

Revenue

Determining the amount of revenue to recognise in respect of project work ongoing at the period end. Factors considered in assessing the percentage of completion of a project include project phases and milestones.

Share based payments

The cost of equity-settled transactions with employees is measured with reference to their fair value at the date at which they are granted. Fair value is measured using the Black-Scholes option pricing model. Estimates are made in respect of volatility, time to expiry and numbers of options likely to vest.

Recoverability of amounts owed by group undertakings

Judgement is required in determining whether provisions are required against amounts owed by group undertakings based on the ability of the fellow subsidiary to generate profits and cash.

BLACK SWAN DATA LTD

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

4. Turnover

An analysis of turnover by class of business is as follows:

	2021	2020
	£000	£000
Rendering of services	8,455	17,708

Analysis of turnover by country of destination:

	2021	2020
	£000	£000
United Kingdom	458	611
USA	3,828	11,277
Rest of the world	4,169	5,820
	8,455	17,708

5. Other operating income

	2021	2020
	£000	£000
UK Coronavirus Job Retention Scheme income	43	211
Other government grants received	-	1,158
	43	1,369

During 2020, Black Swan Data Inc. received a loan of \$1,487,000 as part of the U.S. federal government's Paycheck Protection Program (PPP). The loan had a maturity period of 2 years with interest accruing at 1% per annum. Black Swan Data Inc. fulfilled the eligibility requirements for loan forgiveness, thus there was nothing to repay on the loan. Therefore, the amount was fully recognised within other operating income in the prior period.

BLACK SWAN DATA LTD

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

6. Exceptional items

	2021	2020
	£000	£000
Amounts received in relation to settlement of Panasonic contract	963	-

In 2021, a settlement agreement was reached between Black Swan Data Ltd and a customer, Panasonic Avionics Corporation (PAC), for the termination of service contract between the two parties. PAC agreed to pay a fixed sum of \$647,000 (£471,000) to Black Swan Data Ltd to satisfy any and all liabilities and obligations. This is shown net of £27,000 in redundancy payments directly related to the contract termination.

Revenues deferred from prior periods in respect of this contract have been recognised in full in the current period, totaling £519,000.

7. Operating loss

The operating loss is stated after charging:

	2021	2020
	£000	£000
Foreign exchange differences	10	(31)
Depreciation of tangible fixed assets	132	158
Amortisation of intangible assets	15	29
Operating lease charges	842	843

8. Auditor's remuneration

Fees payable to the Group's auditor in respect of:

Audit of the Group's financial statements	74	37
Taxation compliance services	5	4
Other services	28	3
	107	44

BLACK SWAN DATA LTD

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

9. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 2021 £000	<i>Group 2020 £000</i>	Company 2021 £000	<i>Company 2020 £000</i>
Wages and salaries	8,562	12,966	5,045	6,379
Social security costs	998	1,483	691	853
Cost of defined contribution scheme	462	489	415	489
	<u>10,022</u>	<u>14,938</u>	<u>6,151</u>	<u>7,721</u>

The average monthly number of employees, including the directors, during the year was as follows:

	Group 2021 No.	<i>Group 2020 No.</i>	Company 2021 No.	<i>Company 2020 No.</i>
Management	2	2	2	2
Administration	165	239	72	103
	<u>167</u>	<u>241</u>	<u>74</u>	<u>105</u>

10. Directors' remuneration

	2021 £000	<i>2020 £000</i>
Directors' emoluments	390	346
Group contributions to defined contribution pension schemes	22	17
	<u>412</u>	<u>363</u>

The highest paid director received remuneration of £186,000 (2020 - £186,000).

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £10,000 (2020 - £10,000).

The directors are considered to be key management personnel and their remuneration is disclosed above.

BLACK SWAN DATA LTD

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

11. Interest receivable and similar income

	2021 £000	2020 £000
Other interest receivable	677	-

Other interest receivables relates to interest previously accrued on a convertible loan. On conversion the interest was forgiven. See note 21 for further details.

12. Interest payable and similar expenses

	2021 £000	2020 £000
Other interest payable	340	483

13. Taxation

	2021 £000	2020 £000
Corporation tax		
Current tax on profits for the year	(888)	(2,153)
	<u>(888)</u>	<u>(2,153)</u>
Total current tax	<u>(888)</u>	<u>(2,153)</u>
Deferred tax		
Total deferred tax	<u>-</u>	<u>-</u>
Taxation on loss on ordinary activities	<u>(888)</u>	<u>(2,153)</u>

BLACK SWAN DATA LTD

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

13. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2020 - lower than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021	2020
	£000	£000
Loss on ordinary activities before tax	(7,879)	(4,700)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	(1,497)	(893)
Effects of:		
Capital allowances super deduction	(1)	-
Non-taxable income	(19)	(420)
Expenses not deductible for tax purposes	109	(284)
Qualifying donations unutilised	8	-
Deferred tax not recognised	2,355	864
Additional deduction for R&D expenditure	(888)	(761)
Surrender of tax losses for R&D tax credit refund	226	318
R&D expenditure credits	(131)	(141)
Adjustments to tax charge in respect of prior periods	-	(954)
EMI options tax relief	(3)	-
Adjust deferred tax to standard CT rate	(1,027)	-
Difference in foreign tax rates	(21)	-
Unrelieved losses of overseas subsidiary	1	-
Other tax related adjustments	-	(9)
Other differences leading to an increase (decrease) in the tax charge	-	127
Total tax charge for the year	(888)	(2,153)

Black Swan Data Limited has £12,034,000 (2020 - £10,339,000) available for carry forward against future trading profits. No deferred tax asset has been recognised on these losses due to the uncertainty of future taxable profit.

BLACK SWAN DATA LTD

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

14. Intangible assets

Group

	Patents £000	Goodwill £000	Total £000
Cost			
At 1 January 2021	79	764	843
At 31 December 2021	<u>79</u>	<u>764</u>	<u>843</u>
Amortisation			
At 1 January 2021	77	751	828
Charge for the year on owned assets	2	13	15
At 31 December 2021	<u>79</u>	<u>764</u>	<u>843</u>
Net book value			
At 31 December 2021	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2020	<u>2</u>	<u>13</u>	<u>15</u>

BLACK SWAN DATA LTD

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

14. Intangible assets (continued)

Company

	Patents £000
Cost	
At 1 January 2021	79
At 31 December 2021	<u>79</u>
Amortisation	
At 1 January 2021	77
Charge for the year	2
At 31 December 2021	<u>79</u>
Net book value	
At 31 December 2021	<u>-</u>
<i>At 31 December 2020</i>	<u><u>2</u></u>

BLACK SWAN DATA LTD

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

15. Tangible fixed assets

Group

	Fixtures and fittings £000	Computer equipment £000	Total £000
Cost or valuation			
At 1 January 2021	253	791	1,044
Additions	83	76	159
Disposals	(132)	(97)	(229)
Exchange adjustments	(6)	(8)	(14)
At 31 December 2021	<u>198</u>	<u>762</u>	<u>960</u>
Depreciation			
At 1 January 2021	209	620	829
Charge for the year on owned assets	23	109	132
Disposals	(77)	(85)	(162)
Exchange adjustments	(4)	(3)	(7)
At 31 December 2021	<u>151</u>	<u>641</u>	<u>792</u>
Net book value			
At 31 December 2021	<u>47</u>	<u>121</u>	<u>168</u>
At 31 December 2020	<u>44</u>	<u>171</u>	<u>215</u>

BLACK SWAN DATA LTD

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

15. Tangible fixed assets (continued)

Company

	Fixtures and fittings £000	Computer equipment £000	Total £000
Cost or valuation			
At 1 January 2021	114	583	697
Additions	-	25	25
Disposals	-	(18)	(18)
At 31 December 2021	<u>114</u>	<u>590</u>	<u>704</u>
Depreciation			
At 1 January 2021	111	474	585
Charge for the year on owned assets	(2)	74	72
Disposals	-	(12)	(12)
At 31 December 2021	<u>109</u>	<u>536</u>	<u>645</u>
Net book value			
At 31 December 2021	<u>5</u>	<u>54</u>	<u>59</u>
At 31 December 2020	<u>3</u>	<u>109</u>	<u>112</u>

BLACK SWAN DATA LTD

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

16. Fixed asset investments

Group

	Unlisted investments £000
Cost or valuation	
At 1 January 2021	9
At 31 December 2021	9

Company

	Investments in subsidiary companies £000	Unlisted investments £000	Total £000
Cost or valuation			
At 1 January 2021	220	9	229
At 31 December 2021	220	9	229

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Black Swan Trends Limited	15th Floor, WeWork Building, 10 York Road, London, SE1 7ND, UK	Dormant	Ordinary	100%
Black Swan Data Inc.	850 New Burton Road, Suite 201, Dover, Kent, Delaware, 19904, USA.	IT solutions	Ordinary	100%
Black Swan Hungary Kft	1065 Budapest, Nagymezo utca 44, Hungary	Software development	Ordinary	100%
Black Swan Technologies (PTY) Ltd	77 Glen Anil Street, Glen Anil, Durban, KWA-ZULU NATAL, 4051, South Africa	Software development	Ordinary	100%

BLACK SWAN DATA LTD

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

16. Fixed asset investments (continued)

Subsidiary undertakings (continued)

The aggregate of the share capital and reserves as at 31 December 2021 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £000	Profit/(Loss) £000
Black Swan Trends Limited	-	-
Black Swan Data Inc.	1,474	91
Black Swan Hungary Kft	686	154
Black Swan Technologies (PTY) Ltd	103	(4)

17. Debtors

	Group 2021 £000	Group 2020 £000	Company 2021 £000	Company 2020 £000
Trade debtors	869	1,322	172	1,088
Amounts owed by group undertakings	-	-	25	-
Other debtors	2,844	2,486	2,736	2,437
Prepayments and accrued income	497	299	286	137
	<u>4,210</u>	<u>4,107</u>	<u>3,219</u>	<u>3,662</u>

Included with other debtors is an R&D tax debtor of £2,112,000 (2020 - £1,950,000).

18. Cash and cash equivalents

	Group 2021 £000	Group 2020 £000	Company 2021 £000	Company 2020 £000
Cash at bank and in hand	<u>313</u>	<u>776</u>	<u>205</u>	<u>482</u>

BLACK SWAN DATA LTD

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

19. Creditors: Amounts falling due within one year

	Group 2021 £000	<i>Group 2020 £000</i>	Company 2021 £000	<i>Company 2020 £000</i>
Other loans	1,055	5,025	1,009	4,976
Trade creditors	893	811	792	775
Amounts owed to group undertakings	-	-	2,449	1,755
Other taxation and social security	1,196	644	1,174	600
Other creditors	193	256	15	38
Accruals and deferred income	2,751	2,862	2,521	2,735
	<u>6,088</u>	<u>9,598</u>	<u>7,960</u>	<u>10,879</u>

20. Creditors: Amounts falling due after more than one year

	Group 2021 £000	<i>Group 2020 £000</i>	Company 2021 £000	<i>Company 2020 £000</i>
Other loans	871	-	41	-

BLACK SWAN DATA LTD

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

21. Loans

	Group 2021 £000	<i>Group 2020 £000</i>	Company 2021 £000	<i>Company 2020 £000</i>
Amounts falling due within one year				
Other loans	1,055	5,025	1,009	4,976
Amounts falling due 2-5 years				
Other loans	871	-	41	-

In 2017, the Company received a convertible loan from a shareholder of £3,000,000 that had a maturity date of 31 December 2021 and the associated redemption fee was 29%. On completion of the fundraising from existing investors in March 2021 it was agreed this loan would be converted to equity. The redemption fee was cancelled upon conversion and the redemption fee accrued to date released as interest in the current period. Therefore, the outstanding balance as at 31 December 2021 was £nil (2020 - £3,676,000).

During the year, the Company received loans totaling £1,000,000 from its shareholders. The loans had a redemption premium of 20%, and a maturity date of 31 March 2022. Shareholder loans totaling £1,470,000 were repaid in the year, with a further £75,000 converted to equity. The outstanding balance at year end is £1,000,000 and is included in amounts falling due within 1 year.

In January 2021, the Company also received a loan of £50,000 as part of the U.K. government's Bounce Back loan scheme. There are no repayments for the first 12 months. The loan has a maturity period of 5 years, with interest accruing at 2.5% per annum from the date the repayment holiday ends. The outstanding balance at year end of £50,000, with £41,000 being included in amounts falling due after 1 year.

On 2 February 2021, Black Swan Data Inc. received a loan of \$1,119,000 as part of the U.S. federal government's Paycheck Protection Program (PPP). The loan has a maturity period of 5 years from the drawdown date, with interest accruing at 1% per annum. The loan can be forgiven in full if all employee retention criteria are met, and the funds are used for eligible expenses. The outstanding balance at year end of £831,000 (\$1,119,000) is included in amounts falling due after 1 year.

BLACK SWAN DATA LTD

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

22. Financial instruments

	Group 2021 £000	<i>Group 2020 £000</i>
Financial assets		
Financial assets measured at amortised cost	2,149	<i>2,423</i>
Financial liabilities		
Financial liabilities measured at amortised cost	5,037	<i>8,957</i>

Financial assets measured at amortised cost comprise cash, trade debtors, accrued income, and other debtors.

Financial liabilities measured at amortised cost comprise bank loans and overdrafts, trade creditors, other creditors and accruals.

Information regarding the group's exposure to and management of credit risk, liquidity risk, cash flow interest rate risk, research and development risk, and foreign exchange risk is included in the strategic report.

23. Share capital

	2021 £	<i>2020 £</i>
Allotted, called up and fully paid		
12,169,982 (2020 - 17,804,805) 'A' ordinary shares shares of £0.00100 each	12,170	<i>1,780</i>
1,848,676 (2020 - 18,486,759) 'B' ordinary shares shares of £0.00100 each	1,848	<i>1,849</i>
Nil (2020 - 1,750,000) 'A' preference shares shares of £0.00010 each	-	<i>175</i>
39,559,336 (2020 - Nil) 'B' preference shares shares of £0.00001 each	396	<i>-</i>
345,000 (2020 - 1,700,000) Deferred shares shares of £0.00100 each	345	<i>170</i>
	14,759	<i>3,974</i>

"A' ordinary and 'B' ordinary classes of share capital rank pari passu in relation to voting rights, receipt of dividends and a pro rata entitlement to capital upon winding up or other repayment.

"B' preference shares rank pari passu in relation to voting rights and receipt of dividends. In addition to a pro rata share of surplus assets upon winding up or other repayment, there is an entitlement to a further £1 per share in issue.

Deferred shares do not confer any voting rights and can be redeemed by the company at any time for £1 each. Furthermore, the receipt of dividends and entitlement to capital upon winding up or other repayment is limited to £1 per share in issue.

BLACK SWAN DATA LTD

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

23. Share capital (continued)

In March 2021, the Company issued 101,500 'A' ordinary shares with an aggregate nominal value of £10,150, for total consideration of £82,000. Furthermore, 355,839,416 'B' preference shares were also issued with an aggregate nominal value of £356, for total consideration of £8,000,000.

All classes of shares were subsequently consolidated on a 10:1 basis, with all 'A' preference shares also redesignated as deferred shares.

During April 2021, the Company issued 3,975,394 'B' preference shares with an aggregate nominal value of £40, for total consideration of £1,089,000.

In November 2021, a further 239,501 'A' ordinary shares were issued with an aggregate nominal value of £240, for total consideration of £240.

24. Reserves

The group and company's capital and reserves are as follows:

Share premium account

Comprises the premium on issue of equity shares, net of any issue costs.

Share based payment reserve

Comprises the cumulative share option charge of share options granted.

Foreign exchange reserve

Represents the translation of subsidiaries.

Profit and loss account

Represents accumulated profit/(loss) since the date of incorporation less distributions to shareholders and other adjustments.

BLACK SWAN DATA LTD

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

25. Share based payments

The company operates unapproved share option and EMI share option plans for its employees. The directors have an absolute discretion as to the selection of the persons to whom an option is granted by the company.

The options are granted with a fixed exercise price and are exercisable up to 10 years after the date of the grant, with a vesting period of up to 48 months. Attached to the options is a service condition.

	Weighted average exercise price (pence) 2021	Number 2021	Weighted average exercise price (pence) 2020	Number 2020
Outstanding at the beginning of the year	90	5,256,527	73	4,354,232
Cancelled during the year	90	(5,256,527)	-	-
Granted during the year	14	6,637,452	129	1,941,600
Forfeited during the year	14	(269,214)	90	(955,372)
Exercised during the year	6	(240,154)	125	(83,933)
Outstanding at the end of the year	14	6,128,084	90	5,256,527

The options outstanding at 31 December 2021 have an exercise price ranging from £0.01 to £0.18 (2020 - £0.01 to £1.50), and a remaining contractual life of 36 months (2020 - 36 months).

The weighted average fair value of the options granted in the period was determined using the Black-Scholes option pricing model. The Black-Scholes model is considered to apply the most appropriate valuation method due to the relatively short contractual lives of the options and the requirement to exercise within a short period after the employee becomes entitled to the shares (the "vesting date").

BLACK SWAN DATA LTD

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

25. Share based payments (continued)

The following information is relevant in the determination of the fair value of options granted under the equity-settled share based remuneration schemes:

		2021 Black- Scholes
Option pricing model used		
Weighted average share price (pence)		5
Exercise price (pence)		14
Weighted average contractual life (years)		3.5
Expected volatility		41%
Expected dividend growth rate		0%
Risk-free interest rate		<u>0.21%</u>
	2021	2020
	£000	£000
Expenses arising from share option plans	<u>259</u>	<u>(1,365)</u>

26. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group amounted to £462,000 (2020 - £489,000). Contributions totaling £8,000 (2020 - £4,000) were payable at the balance sheet date and are included in other creditors.

27. Commitments under operating leases

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

	Group	<i>Group</i>	Company	<i>Company</i>
	2021	<i>2020</i>	2021	<i>2020</i>
	£000	<i>£000</i>	£000	<i>£000</i>
Not later than 1 year	451	809	360	727
Later than 1 year and not later than 5 years	47	874	-	799
	<u>498</u>	<u>1,683</u>	<u>360</u>	<u>1,526</u>

BLACK SWAN DATA LTD

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

28. Related party transactions

The Company has taken advantage of the exemption under FRS 102 Section 33.1A from the requirement to disclose transactions with group companies.

The Company also had loan balances outstanding at the year end totaling £1,000,000 (2020 - £5,025,000) with shareholders. See note 21 for details. During the year, the Company incurred interest charges of £296,000 (2020 - £467,000) in respect of shareholder loans.

29. Post balance sheet events

On 11 January 2022, the Group received and signed a term sheet from a Venture Capital fund called Oxx Venture Capital. Due diligence was successfully completed in early March and on 30th March 2022. Funds totalling £7 million were received from Oxx alongside a further £3 million from Albion Capital Group by way of a cash equity investment totalling £10 million. As part of the round structure, on 27 January 2022, the company received a growth finance term loan from Columbia Lake Partners for the value of £3,000,000. The term of the loan is 36 months at a fixed interest rate of 11.00% per annum.

On 7th December 2022, the company agreed terms for equity financing of £3,508,000 from existing shareholders, which was received on 12th December 2022, and a debt repayment holiday with cumulative positive cash impact over the next 14 months of £700,000.

30. Controlling party

At the balance sheet date, there was no single controlling party of the reporting entity.