Co's House

Company Number 06381679

STELLAR ASSET MANAGEMENT LIMITED

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

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COMPANIES HOUSE

DIRECTORS AND OFFICERS

DIRECTORS
Jonathan Gain
Craig Reader
Matthew Steiner
Andrew Watson

COMPANY SECRETARY
Jonathan Gain

REGISTERED OFFICE
Kendal House
1 Conduit Street
London
W1S 2XA

AUDITOR
RSM UK Audit LLP
25 Farringdon Street
London
EC4A 4AB

The directors present their strategic report and financial statements for the year ended 31 December 2016.

PRINCIPAL ACTIVITIES

The principal activity of Stellar Asset Management ("The Company") is that of fund management. The Company's revenues are derived from the origination and distribution of investment products to retail investors and their subsequent investment management.

FAIR REVIEW OF THE BUSINESS

The Company's result for the year is shown in the Statement of Income and Retained Earnings account on page 6. The results reflect the continued growth of the business and the reinvestment of additional revenue in new product development, staffing and marketing initiatives.

FUTURE DEVELOPMENTS

The Company has four core discretionary managed services that offer investors mitigation from inheritance tax and are always open for business. These services are now available for investment on four investment platforms and the Company intends to increase this number in 2017. In addition, the Company continues to distribute the services to new audiences and has a number of new strategic alliances which should create long term benefit for the business. The Company continues to invest both in additional human resources, and has recently appointed a new member to the Board, and back offices systems to support growing funds under management.

PRINCIPAL RISKS AND UNCERTAINTIES

The board identifies, assesses and manages risks associated with the Company's business objectives and strategy. Risks arising from external sources, those which are inherent commercial risks in the market place and business and from operational risks contained within the systems and processes employed within the business.

External Risks:

External risks can arise from changes to the political, legal, and regulatory environment. The Company funds a number of tax based products and changes to the underlying legislation could make a product more or less appealing. The board ensures that it has a detailed understanding of current tax legislation.

Operational Risks:

Operational risk arises from a weakness or failure in a Company's system and controls. The Company relies on efficient and well-controlled processes and the potential impact and likelihood of processes failing and operational risk materialising is assessed on a regular basis. Where these situations are felt to be outside of the directors' appetite for risk, improvements in the controls and processes are identified to bring each potential risk back to within acceptable levels.

Business Risk:

The majority of the Company's revenues are derived from management fees which depend on the performance of the underlying funds. The Company operates in the highly competitive financial services market and issues such as the availability of asset for investment across the industry and reputational issues that affect the sector as a whole.

Reputation Risk:

The reputation of the Company is one of the most important assets since it operates in an industry where customer trust and confidence are key. There is a system of internal controls which seek to ensure that events which could damage the reputation of the business are prevented.

Treating Customers Fairly:

Treating customers fairly is part of the Company's business ethos and ensure its regulated business complies with the FCA principle that "A firm must pay due regard to the interests of its customers and treat them fairly". The fair treatment of customers is central to the culture of the Company.

KEY PERFORMANCE INDICATORS:
The Company considers that whilst it is in a high growth phase, its key performance indicator is strong revenue growth of at least 25% per annum.

Approved by

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Jonathan Gain
Director

17 June 2017

The directors present their annual report and financial statements for the year ended 31 December 2016.

GOING CONCERN
The directors have considered the use of the going concern basis in the preparation of the financial statements and have concluded that it is appropriate (see note 1 to the accounts).

PILAR III DISCLOSURES
The Company has documented the disclosures required by the FCA under BIPRU 11. These are available from the registered office.

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

Jonathan Gain
Craig Reader
Matthew Steiner
Andrew Watson – appointed 3 April 2017

RESULTS AND DIVIDENDS
The results for the year are set out on page 6.
No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

AUDITOR
RSM UK Audit LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

STATEMENT OF DISCLOSURE TO AUDITOR
So far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware. Additionally, the directors 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 auditors are aware of that information.

STRATEGIC REPORT
In accordance with S414C (11) of the Companies Act; included in the Strategic Report is the review of the business and principal risks. This information would have otherwise been required by Schedule 7 of the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulations 2008 to be contained in the Directors Report.

Approved by

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Jonathan Gain
Director

12 June 2017

DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2016

The directors are responsible for preparing the Strategic Report and the Directors' 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.

Opinion on financial statements
We have audited the financial statements on pages 6 to 16. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:
- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Scope of the audit of the financial statements
A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at http://www.frc.org.uk/auditscopeukprivate

Opinion on other matter prescribed by the Companies Act 2006
In our opinion 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, based on the work undertaken in the course of our audit, the 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 company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report or 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

Respective responsibilities of directors and auditor
As more fully explained 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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

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.

RSM UK Audit LLP

DAVID BLACHER (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor,
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB

29 June 2017

STATEMENT OF INCOME AND RETAINED EARNINGS
For the year ended 31 December 2016

	Notes	2016 £	2015 £
TURNOVER	3	1,391,347	949,441
Administrative expenses		(1,342,132)	(934,291)
OPERATING PROFIT		49,215	15,150
Interest Payable	4	(10,195)	(1,195)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5	39,020	13,955
Taxation	7	36,864	-
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION AND PROFIT FOR THE FINANCIAL YEAR		75,884	13,955
RETAINED EARNINGS AT 1 JANUARY		(195,243)	(209,198)
RETAINED EARNINGS AT 31 DECEMBER		(119,359)	(195,243)

Turnover and operating profit are derived from the company's continuing operations.

All gains and losses have been dealt with in the statement of income and retained earnings.

STATEMENT OF FINANCIAL POSITION
At 31 December 2016

	Notes	2016 £	2015 £
FIXED ASSETS			
Tangible assets	8	16,163	22,623
CURRENT ASSETS			
Debtors	9	505,889	429,393
Cash at bank and in hand		98,884	143,256
		604,773	572,649
CURRENT LIABILITIES			
Creditors: amounts falling due within one year	10	(275,295)	(425,515)
NET CURRENT ASSETS		329,478	147,134
NET ASSETS		345,641	169,757
CAPITAL AND RESERVES			
Called up share capital	11	232,500	182,500
Share Premium		232,500	182,500
Profit and loss account		(119,359)	(195,243)
TOTAL EQUITY		345,641	169,757

The financial statements on pages 6 to 16 were approved by the board of directors and authorised for issue on April 2017 and are signed on its behalf by:

Jonathan Gain
Director

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17 June 2017

STATEMENT OF CASH FLOWS
For the year ended 31 December 2016

	Notes	2016 £	2015 £
OPERATING ACTIVITIES			
Cash generated from operations	13	(133,933)	(17,379)
Income taxes paid			-
NET CASH FROM/ (USED IN) OPERATING ACTIVITIES		(133,933)	(17,379)
INVESTING ACTIVITIES			
Purchase of tangible fixed assets		(10,439)	(21,642)
NET CASH FROM/ (USED IN) INVESTING ACTIVITIES		(10,439)	(21,642)
FINANCING ACTIVITIES			
Issue of share capital		100,000	-
Repayments of obligations under finance lease		-	(2,624)
NET CASH FROM/ (USED IN) FINANCING ACTIVITIES		100,000	(2,624)
NET(DECREASE) IN CASH AND CASH EQUIVALENTS		(44,372)	(41,645)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		143,256	184,901
CASH AND CASH EQUIVALENTS AT END OF YEAR		98,884	143,256

1. ACCOUNTING POLICIES

GENERAL INFORMATION

Stellar Asset Management Limited ("the Company") is a limited Company domiciled and incorporated in England.

The address of the Company's registered office and principal place of business is Kendal House, 1 Conduit Street, London, W1S 2XA.

The Company's principal activities are detailed in the Directors' Report.

BASIS OF ACCOUNTING

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, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, and under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value.

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 pound.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

GOING CONCERN

The financial statements have been prepared on a going concern basis. The directors have considered the operating profit for the year and balance sheet at the accounting date and reviewed forecasts and are satisfied that the company is able to meet its liabilities as they fall due for twelve months following approval of the financial statements.

FOREIGN CURRENCIES

Transactions in currencies other than the functional currency (foreign currencies) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

TURNOVER

Turnover represents the invoiced value of fees charged to UK funds under the Company's management and administration net of VAT.

TANGIBLE FIXED ASSETS AND DEPRCIATION

Tangible fixed assets are stated at cost, net of depreciation.

Depreciation is calculated to write off the cost of all tangible fixed assets in equal annual instalments over their estimated useful lives at the following rates:

Office Equipment	33%	Straight Line
Web Development	50%	Straight Line

TAXATION

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax is based on taxable profit for the year. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is not discounted.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Current and deferred tax is charged or credited in profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

LEASES

All leases are operating leases and the annual rentals are charged to profit and loss on a straight-line basis over the lease term.

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, in full, to all its financial instruments.

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument, and are offset only when the Company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Basic financial assets
Basic financial assets, which include trade and other receivables 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 financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Other financial assets
Other financial assets, including trade investments, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

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 trade and other payables, bank loans, loans from fellow group companies and preference shares that 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.

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

Other financial liabilities
Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Derecognition of financial liabilities
Financial liabilities are derecognised when, and only when, the company's contractual obligations are discharged, cancelled, or they expire.

Equity instruments
Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

EMPLOYEE BENEFITS
The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or are capitalised as an intangible fixed asset or a tangible fixed asset.

The best estimate of the expenditure required to settle an obligation for termination benefits is recognised immediately as an expense when the Company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

RETIREMENT BENEFITS
For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

2. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

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.

Critical areas of judgement

In categorising leases as finance leases or operating leases, management makes judgements as to whether significant risks and rewards of ownership have transferred to the Company as lessee, or the lessee, where the Company is a lessor.

3. TURNOVER

The total turnover of the Company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

4. INTEREST PAYABLE

	2016	**2015**
	£	**£**
Finance leases and hire purchase contracts	4,088	1,195
Other	6,107	-
	10,195	1,195

5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2016	2015
	£	£
Profit on ordinary activities before taxation is stated after charging		
Depreciation of tangible fixed assets	16,899	15,135
Depreciation of leased assets	-	1,810
Operating lease rentals	88,984	88,966

Fees payable to RSM UK Audit LLP and its associates in respect of both audit and non-audit services are as follows:

Audit services - statutory audit of the Company	11,000	11,500
Taxation services	2,900	-
	13,900	11,500

6. EMPLOYEES

	2016	2015
	No.	No.
The average monthly number of persons (including directors) employed by the Company during the year was:	11	7

	2016	2015
	£	£
Staff costs for the above persons:		
Wages and salaries	399,175	316,635
Social security costs	42,297	29,473
Pension costs	14,942	5,250
	456,414	351,358

DIRECTORS

In respect of the directors of Stellar Asset Management Limited:

	2016	2015
	£	£
Emoluments	92,125	113,591

No pensions contributions were paid on behalf of any directors (2015: £Nil).

7. TAXATION

	2016	2015
	£	£
Current tax		
UK corporation tax	-	-
Adjustments in respect of prior year	-	-
Total current tax	-	-
Deferred tax		
Origination and reversal of timing differences	(36,864)	-
Total deferred tax	(36,864)	-
Total tax on profit on ordinary activities	(36,864)	-

Factors affecting the tax charge for the year.

The tax assessed for the year is lower than the standard rate of corporation tax in the UK (20%). The differences are explained below:

	2016	2015
	£	£
Company profit on ordinary activities before tax	39,020	13,955
Company profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2015: 20%).	7,804	2,791
Effects of:		
Expenses that are not deductible in determining taxable profit	4,375	2,085
Difference between depreciation and capital allowances	1,170	(1,089)
Losses (utilised)/carried forward	(13,349)	(3,787)
Deferred tax not recognised previously	(36,864)	-
Tax expense	(36,864)	-

7. **TAXATION (Continued)**

The tax charge in future periods may be affected by the availability and utilisation of tax losses for which no deferred tax asset is currently recognised. Tax losses have been incurred by the company which are available for offset against future taxable profits. A deferred tax asset has not been recognised in respect of these losses as in the opinion of the directors the timing and realisation of suitable taxable profits is uncertain.

The company has tax losses of £194,023 (2015: £207,372) which will be carried forward and used against profits of the same trade. The deferred tax asset, after the offset of advanced capital allowances, would amount to £36,864 at future tax rate of 19% (2015: £39,401).

8. **TANGIBLE FIXED ASSETS**

	Office equipment	Web development	Total
	£	£	£
Cost			
1 January 2016	29,185	25,300	54,485
Additions	1,439	9,000	10,439
31 December 2016	30,624	34,300	64,924
Depreciation			
1 January 2016	16,639	15,223	31,862
Depreciation charged in the year	6,294	10,605	16,899
31 December 2016	22,933	25,828	48,761
Carrying amount:			
31 December 2016	7,691	8,472	16,163
31 December 2015	12,546	10,077	22,623

Included in office equipment are assets held under finance lease agreements at a cost of £10,858 (2015: £10,858), accumulated depreciation of £10,858 (2015: £10,858), and net book value of £Nil (2015: £Nil).

9. **DEBTORS**

	2016	2015
	£	£
Amounts falling due within one year:		
Trade debtors	50,777	27,464
Other debtors	129,792	153,142
Prepayments and accrued income	288,456	248,787
Deferred tax asset	36,864	-
	505,889	429,393

10. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2016	2015
	£	£
Trade creditors	38,604	57,686
Other tax and social security	21,784	180,836
Other creditors	58,693	67,363
Finance lease	-	1,357
Accruals and deferred income	156,214	118,273
	275,295	425,515

11. SHARE CAPITAL & RESERVES

	2016	2015
Allotted, issued and fully paid	£	£
265,000 (2015: 265,000) Ordinary shares of 50p each	132,500	132,500
200,000 (2015: 100,000) "B" Ordinary shares of 50p each	100,000	50,000
	232,500	182,500

"B" Ordinary shares are non-voting ordinary shares of 50p each and are entitled to dividends ahead of Ordinary Shares and a fixed amount in the event of any winding up. During the year there was the issue of 100,000 Ordinary 'B' shares at a value of 50p each. The amount paid for these was £1 per share, giving rise to a share premium of £50,000.

The Company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the Company.

RESERVES

Reserves of the Company represent the following:

Retained earnings
Cumulative profit and loss net of distributions to owners.

Share Premium
The premium paid per share on issued equity shares.

12. RECONCILIATION OF PROFIT AFTER TAX TO NET CASH GENERATED FROM / (USED IN) OPERATIONS

	2016	2015
	£	£
Profit after tax	39,020	13,955
Adjustments for:		
Depreciation of tangible fixed assets	16,899	16,945
Operating cash flows before movements in working capital	55,919	30,900
Increase in trade and other debtors	(39,632)	(217,136)
(Decrease)/ Increase in trade and other creditors	(150,220)	168,857
Cash used in operations	(133,933)	(17,379)

13. COMMITMENTS UNDER OPERATING LEASES

The total future minimum lease payments under non-cancellable operating leases for land and buildings are as follows:

	2016	2015
	£	£
Amounts due:		
Within one year	81,569	88,985
Between one and five years	-	81,569
	81,569	170,554

14. FINANCIAL INSTRUMENTS

	2016	2015
	£	£
Carrying amount of financial assets		
Debt instruments measured at amortised cost	212,225	218,285
Carrying amount of financial liabilities		
Measured at amortised cost	262,244	408,714

15. RELATED PARTY TRANSACTIONS

Transactions between the Company and its related parties are disclosed below:

	Transactions with directors		Other related parties	
	2016	2015	2016	2015
	£	£	£	£
Management charges invoiced	-	-	-	11,793
Loans given in the year	-	13,250	-	-
Loans repaid in the year	-	-	-	-
Owed by related parties at 31 December	44,750	44,750	-	-

The amounts outstanding at 31 December 2016 include a loan of £44,750 (2015: £44,750), on which interest is not charged. The amounts outstanding are unsecured, repayable on demand and will be settled in cash. No guarantees have been given or received. No expense has been recognised in the year (2015: £nil) in respect of bad debts from related parties.

The related parties of the company are controlled by Jonathan Gain, who is the ultimate controlling party.

16. REMUNERATION OF KEY MANAGEMENT PERSONNEL

The total remuneration of the directors, who are considered to be the key management personnel of the Company, was £92,125 (2015: £113,591).

17. PENSION SCHEMES

During the year £14,942 (2015: £5,250) has been charged to profit and loss account in respect of the scheme. scheme. There was £10,391 outstanding at the balance sheet date (2015: Nil)

18. CONTROLLING PARTY

Jonathan Gain, a director, is considered to be the controlling party given that he holds a majority of the voting share capital.