

Company Number 06381679

**STELLAR ASSET MANAGEMENT LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**



STELLAR ASSET MANAGEMENT LIMITED

DIRECTORS AND OFFICERS

DIRECTORS

Jonathan Gain
Craig Reader
Matthew Steiner
Christopher Mills

COMPANY SECRETARY

Jonathan Gain

COMPANY NUMBER

06381679

REGISTERED OFFICE

Kendal House
1 Conduit Street
London
W1S 2XA

AUDITOR

RSM UK Audit LLP
25 Farringdon Street
London
EC4A 4AB

BANKERS

Royal Bank of Scotland Plc
28 Cavendish Square
London
W1G 0DB

SOLICITORS

CMS Cameron McKenna Nabarro Olswang LLP
Cannon Place
78 Cannon Street
London
EC4N 6AF

STELLAR ASSET MANAGEMENT LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their strategic report and financial statements for the year ended 31 December 2018.

PRINCIPAL ACTIVITIES

The principal activity of Stellar Asset Management Limited ("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 7. 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 available for investment on multiple investment platforms and in the year the Company rebranded these services and modified its charging structure to improve transparency for clients and pass on cost savings that platform investing affords. 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 its increased revenues both in additional human resources and back office systems to support growing funds under management whilst maintaining appropriate regulatory capital.

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 sponsors and manages many tax based services and changes to the underlying legislation could make a service 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.

STELLAR ASSET MANAGEMENT LIMITED

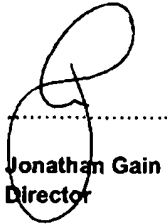
STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

KEY PERFORMANCE INDICATORS

The Company considers that whilst it is in a growth phase, its key performance indicator is strong revenue growth of at least 15% per annum. In addition, profitability is now expected to increase by at least 25% per annum as the Company will benefit from prior years' investment in systems and infrastructure.

Approved by



Jonathan Gain
Director

25 April 2019

STELLAR ASSET MANAGEMENT LIMITED

DIRECTORS REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their annual report and financial statements for the year ended 31 December 2018.

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
Christopher Mills - Appointed 27 June 2018
Andrew Watson - Resigned 31 October 2018

RESULTS AND DIVIDENDS

The results for the year are set out on page 7.

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



Jonathan Gain
Director

25 April 2019

STELLAR ASSET MANAGEMENT LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018**

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; and
- 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STELLAR ASSET MANAGEMENT LIMITED

Opinion

We have audited the financial statements of Stellar Asset Management Limited (the 'company') for the year ended 31 December 2018 which comprise the statement of income and retained earnings, the statements of financial position, the statement of cash flows, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The 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. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report has been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STELLAR ASSET MANAGEMENT LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement 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 company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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

25 April 2019

STELLAR ASSET MANAGEMENT LIMITED**STATEMENT OF INCOME AND RETAINED EARNINGS**
For the year ended 31 December 2018

	Notes	2018 £	2017 £
TURNOVER	3	2,499,504	1,892,341
Administrative expenses		(2,308,730)	(1,814,764)
OPERATING PROFIT		190,774	77,577
Interest Payable	4	(5,071)	(6,766)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5	185,703	70,811
Taxation	7	(57,945)	(5,778)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION AND PROFIT FOR THE FINANCIAL YEAR		127,758	65,033
RETAINED EARNINGS AT 1 JANUARY		(54,326)	(119,359)
RETAINED EARNINGS AT 31 DECEMBER		73,432	(54,326)

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
For the year ended 31 December 2018

	Notes	2018 £	2017 £
FIXED ASSETS			
Tangible assets	8	57,531	70,064
CURRENT ASSETS			
Debtors	9	841,981	578,204
Cash at bank and in hand		232,490	173,994
		<u>1,074,471</u>	<u>752,198</u>
CURRENT LIABILITIES			
Creditors: amounts falling due within one year	10	(577,602)	(371,434)
NET CURRENT ASSETS		<u>496,869</u>	<u>380,764</u>
Creditors: amounts falling due after more than one year	11	(15,968)	(40,154)
NET ASSETS		<u>538,432</u>	<u>410,674</u>
CAPITAL AND RESERVES			
Called up share capital	12	232,500	232,500
Share Premium		232,500	232,500
Profit and loss account		73,432	(54,326)
TOTAL EQUITY		<u>538,432</u>	<u>410,674</u>

The financial statements on pages 7 to 18 were approved by the board of directors and authorised for issue on 25 April 2019 and are signed on its behalf by:



Jonathan Gain
Director

Stellar Asset Management Limited

STATEMENT OF CASH FLOWS
For the year ended 31 December 2018

	Notes	2018 £	2017 £
OPERATING ACTIVITIES			
Cash generated from operations	13	101,035	82,081
Income taxes paid			
NET CASH FROM OPERATING ACTIVITIES		<u>101,035</u>	<u>82,081</u>
INVESTING ACTIVITIES			
Purchase of tangible fixed assets		<u>(18,353)</u>	<u>(3,520)</u>
NET CASH USED IN INVESTING ACTIVITIES		<u>(18,353)</u>	<u>(68,927)</u>
FINANCING ACTIVITIES			
Repayments of obligations under finance lease		<u>(24,186)</u>	<u>(3,451)</u>
NET CASH USED IN FINANCING ACTIVITIES		<u>(24,186)</u>	<u>(3,451)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS		<u>58,496</u>	<u>75,110</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		<u>173,994</u>	<u>98,884</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR		<u>232,490</u>	<u>173,994</u>

STELLAR ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2018

1. ACCOUNTING POLICIES

GENERAL INFORMATION

Stellar Asset Management Limited ("the Company") is a Company limited by shares and is 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. Some elements of turnover are subject to performance conditions and these are only recognised once the income can be measured reliably, typically at the end of the performance period.

TANGIBLE FIXED ASSETS AND DEPRECIATION

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

STELLAR ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2018

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

Operating Leases

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

Finance Leases

An asset and corresponding liability are recognised for leasing agreements that transfer to the Company substantially all of the risks and rewards incidental to ownership. The amount capitalised is the fair value of the leased asset or, if lower, the present value of the minimum lease payments payable during the lease term, both determined at inception of the lease.

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.

STELLAR ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2018

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.

STELLAR ASSET MANAGEMENT LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)**
For the year ended 31 December 2018**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

	2018	2017
	£	£
Finance leases and hire purchase contracts	5,071	6,126
Other	-	640
	<u>5,071</u>	<u>6,766</u>

5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2018	2017
	£	£
Profit on ordinary activities before taxation is stated after charging		
Depreciation of tangible fixed assets	9,084	12,255
Depreciation of leased assets	21,802	2,771
Operating lease rentals	<u>107,183</u>	<u>88,332</u>

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	13,000	11,000
Taxation services	-	3,000
	<u>13,000</u>	<u>14,000</u>

STELLAR ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2018

6. EMPLOYEES

	2018	2017
	No.	No.
The average monthly number of persons (including directors) employed by the Company during the year was:	<u>18</u>	<u>16</u>
	2018	2017
	£	£
Staff costs for the above persons:		
Wages and salaries	849,182	657,631
Social security costs	100,868	63,312
Pension costs	22,568	28,291
	<u>972,618</u>	<u>749,234</u>

DIRECTORS

In respect of the directors of Stellar Asset Management Limited:

	2018	2017
	£	£
Highest paid director:		
- emoluments	128,563	98,625
- pension contributions	<u>-</u>	<u>9,000</u>
Other directors		
- emoluments	252,181	82,000
- pension contributions	<u>19,042</u>	<u>4,500</u>
Members of money purchase pension schemes	<u>3</u>	<u>2</u>

7. TAXATION

	2018	2017
	£	£
Current tax		
UK corporation tax	26,009	-
Adjustments in respect of prior year	-	850
Total current tax	<u>26,009</u>	<u>850</u>
Deferred tax		
Origination and reversal of timing differences	31,936	4,928
Total deferred tax	<u>31,936</u>	<u>4,928</u>
Total tax on profit on ordinary activities	<u>57,945</u>	<u>5,778</u>

Factors affecting the tax charge for the year.

STELLAR ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2018

7. TAXATION (Continued)

The tax assessed for the year is higher than (2017: lower than) the standard rate of corporation tax in the UK of 19.00% (2017: 19.25%). The differences are explained below:

	2018 £	2017 £
Company profit on ordinary activities before tax	185,703	69,961
Company profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19.00% (2017: 19.25%).	35,283	13,467
Effects of:		
Expenses that are not deductible in determining taxable profit	1,949	1,933
Difference between depreciation and capital allowances	2,304	(10,472)
Losses (utilised)/carried forward	(13,527)	-
Deferred tax not recognised previously	31,936	-
Adjustments in respect of prior year	-	850
Tax expense	57,945	5,778

The company has tax losses of £Nil (2017: £168,424) 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 £Nil at future tax rate of 19% (2017: £31,936).

8. TANGIBLE FIXED ASSETS

	Office equipment £	Web development £	Total £
Cost			
1 January 2018	99,551	34,300	133,851
Additions	10,853	7,500	18,353
31 December 2018	110,404	41,800	152,204
Depreciation			
1 January 2018	32,581	31,206	63,787
Depreciation charged in the year	25,751	5,135	30,886
31 December 2018	58,332	36,341	94,673
Carrying amount:			
31 December 2018	52,072	5,459	57,531
31 December 2017	66,970	3,094	70,064

Included in office equipment are assets held under finance lease agreements at a cost of £65,407 (2017: £76,265), accumulated depreciation of £24,573 (2017: £13,629), and net book value of £40,834 (2017: £62,636).

STELLAR ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2018

9. DEBTORS

	2018 £	2017 £
Amounts falling due within one year:		
Trade debtors	66,460	59,942
Other debtors	135,791	127,919
Prepayments and accrued income	639,730	358,407
Deferred tax asset	-	31,936
	<u>841,981</u>	<u>578,204</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Trade creditors	77,148	85,259
Other tax and social security	113,913	71,851
Other creditors	65,220	17,917
Finance leases	22,223	21,802
Accruals and deferred income	273,089	174,605
Corporation tax	26,009	-
	<u>577,602</u>	<u>371,434</u>

11. CREDITORS: AMOUNTS FALLING AFTER ONE YEAR

	2018 £	2017 £
Finance leases	15,968	40,154
	<u>15,968</u>	<u>40,154</u>

12. SHARE CAPITAL & RESERVES

	2018 £	2017 £
Allotted, issued and fully paid		
• 265,000 (2017: 265,000) Ordinary shares of 50p each	132,500	132,500
• 200,000 (2017: 200,000) "B" Ordinary shares of 50p each	100,000	100,000
	<u>232,500</u>	<u>232,500</u>

"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.

STELLAR ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2018

13. RECONCILIATION OF PROFIT AFTER TAX TO NET CASH GENERATED FROM OPERATIONS

	2018	2017
	£	£
Profit after tax	127,758	69,961
Adjustments for:		
Income tax expense	57,945	-
Depreciation of tangible fixed assets	30,886	15,026
Operating cash flows before movements in working capital	<u>216,589</u>	<u>84,987</u>
Increase in trade and other debtors	(295,713)	(77,243)
Increase in trade and other creditors	<u>180,159</u>	<u>74,337</u>
Cash generated from operations	<u>101,035</u>	<u>82,081</u>

14. COMMITMENTS UNDER OPERATING LEASES

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

	2018	2017
	£	£
Amounts due:		
Within one year	103,774	93,092
Between one and five years	<u>93,346</u>	<u>178,426</u>
	<u>197,120</u>	<u>271,518</u>

15. COMMITMENTS UNDER FINANCE LEASES

The total future minimum lease payments under non-cancellable finance leases for office equipment are as follows:

	2018	2017
	£	£
Amounts due:		
Within one year	25,123	25,123
Between one and five years	<u>21,673</u>	<u>46,386</u>
	<u>46,796</u>	<u>71,508</u>

16. FINANCIAL INSTRUMENTS

	2018	2017
	£	£
Carrying amount of financial assets		
Measured at amortised cost	<u>762,121</u>	<u>513,611</u>
Carrying amount of financial liabilities		
Measured at amortised cost	<u>444,124</u>	<u>355,675</u>

STELLAR ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2018

17. RELATED PARTY TRANSACTIONS

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

	Transactions with directors		Other related parties	
	2018	2017	2018	2017
	£	£	£	£
Loans repaid in the year	-	30,000	-	-
Owed by related parties at 31 December	-	14,750	-	-
Other related party transaction	-	-	5,000	-

There were no amounts outstanding at 31 December 2018 (2017: £14,750). 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 (2017: £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.

18. REMUNERATION OF KEY MANAGEMENT PERSONNEL

The total remuneration of the directors, who are considered to be the key management personnel of the Company, was £326,418 (2017: £180,625).

19. PENSION SCHEMES

During the year £22,568 (2017: £28,291) has been charged to profit and loss account in respect of the defined contribution pension scheme. There was £4,986 outstanding at the balance sheet date (2017: £10,333).

20. CONTROLLING PARTY

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