

Company Number 06381679

**STELLAR ASSET MANAGEMENT LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

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STELLAR ASSET MANAGEMENT LIMITED

DIRECTORS AND OFFICERS

DIRECTORS

Jonathan Gain
Craig Reader
Matthew Steiner
Daryl Hine
Claire Taylor

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

Santander UK PLC
2 Triton Square
Regent's Place
London
NW1 3AN

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 2021**

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

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 9. 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 a number of 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. During the year the Company launched a new EIS Fund which offers alternative tax reliefs for investors and is envisaged will be available for subscription for many years. In addition, the Company continues to distribute its 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.

The Company recognises that the climate emergency is an existential threat to our way of life and that of future generations. The Company is committed to a sustainable future and discloses its governance and strategy as it relates to the management of climate risks.

The Company has also become signatories to the United Nations Principles for Responsible Investment and a number of our employees are seeking qualification under the CFA Certificate of ESG Investing.

PRINCIPAL RISKS AND UNCERTAINTIES

The board identifies, assesses and manages risks associated with the Company's business objectives and strategy throughout the year through budgeting and forecasting, in order to make appropriate operational decisions. Risks arising from external sources including those which are inherent commercial risks in the marketplace and business, and also from operational risks contained within the systems and processes employed within the business are identified and monitored.

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 that could make our products more or less attractive for investment. The Company seeks to minimise this risk by broadening the range of services it promotes and manages together with ensuring that relevant personnel have a detailed understanding of current and evolving tax legislation.

Brexit

The Company continues to monitor the effect on the activities undertaken following the exit of the UK from the European Union. The Company does not consider there to be a material impact to the financial statements as our services and investors are UK based.

Operational Risks

Operational risk may arise from a weakness or failure in a Company's system and controls. The Company relies on efficient and well-controlled processes and the likelihood of processes failing and operational risk materialising is assessed on a regular basis. Where these situations are felt to be outside the directors' appetite for risk, improvements in the controls and processes are identified to bring each potential risk back to within acceptable levels. From 1 January 2022, there is a new investment firm prudential regime in place resulting in the capital adequacy being reviewed. The directors are satisfied that the capital requirements are adequately met in this regard.

STELLAR ASSET MANAGEMENT LIMITED**STRATEGIC REPORT****FOR THE YEAR ENDED 31 DECEMBER 2021**

Business Risk

The majority of the Company's revenues are derived from management fees which depend on the performance of the underlying funds under management. 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 its most important assets since it operates in an industry where customer trust and confidence are key. There is a system of internal controls which seeks to ensure that events which could damage the reputation of the business are prevented.

Market Risk

An element of the Company's revenue is derived from quoted investments. The Company could be exposed to market risk when large scale market events result in significant decline of values, and which could lead to potentially increased redemptions. The Company seeks to mitigate market risk by operating a system of robust governance and monitoring controls to actively manage risks in terms of stock selection and diversification of the portfolios we manage.

Counterparty Risk

Counterparty risk is the likelihood that a third party in a transaction may not fulfil its part of the transaction and may default on its contractual obligations. As the Company directly manages all of its funds under management, it considers this risk to be extremely low.

Treating Customers Fairly

Treating customers fairly is part of the Company's business ethos and ensures its regulated business complies with the Financial Conduct Authority (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 reviewed a range of key performance indicators during the year covering finance, customer, people and process of which the directors are satisfied with overall progress against those indicators. Examples of our performance indicators are listed below:

Finance

The Company increased its funds under management and generated good profits during the year, albeit below the significant profits of the prior year which included anomalous performance fees. Although turnover was lower in the year, income from recurring fees exceeded budget in 2021 and increased 60% from the previous year. Investment performance in the year was strong with our AIM IHT service outperforming its NUMIS benchmark and asset backed IHT services generating several successful exits.

Customer

We achieved a strong customer service experience with service standards met within agreed timescales in 93% of all engagements and with an average satisfaction score of 96%.

People

A high staff retention ratio of 87% was recorded during the year. Regular staff meetings and opinion surveys are conducted in addition to quarterly staff reviews. Support is provided for all participating staff with various professional qualifications and the Company recently introduced a leadership programme with a strong take up amongst staff.

Process

During the year, significant investment was made in IT transforming the back-office operations and introducing a new CRM and the start of a new customer portal. Commitment has already been made to improve financial operational systems and will continue in 2022.

STELLAR ASSET MANAGEMENT LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

Section 172(1) of the Companies Act 2006

The Company is regulated by the FCA. We operate within a highly regulated industry and we value this regulation. We recognise regulation is designed to protect both investors and market participants, creating a level playing field and confidence in the financial markets. We therefore view regulation as an extremely positive factor for our business and, as a group, we always engage with our regulators in an open and flexible manner.

The directors of the Company have acted in a way which they consider, in good faith, to be the most likely to promote the success of the Company for the benefit of its stakeholders, and in doing so had regard to a number of other key matters:

- the long-term consequences of decisions;
- the interests of the Company's employees;
- the need to foster the Company's business relationships with suppliers, customers and others;
- the impact of the Company's operations on the community and the environment;
- the desire of the Company to maintain a reputation for high standards of business conduct; and
- the need to act fairly as between members of the Company.

These matters were achieved by the board in the following ways:

Long Term View

The directors carry out a robust and thorough assessment of the risks faced by the Company, regarding its strategic objectives and long-term viability and allows it to remain in a healthy and stable financial position.

Employees

Our employees are critical to the progression of the Company moving forwards; we value every member and seek to improve systems to enhance the working environment where possible.

Customers

We aim to deliver a truly outstanding customer experience that is clear and concise and to provide a rewarding journey. We have a portal which enables our customers to obtain real time information and have efficient communication channels that enables strong business relationships.

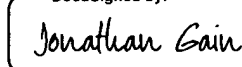
Suppliers

We aim to treat suppliers fairly and pay them within agreed timescales, holding ourselves to high standards of business conduct.

Community and environment

Environmental, social and governance (ESG) is a core pillar of the Company's framework. We work to ensure that any impact on the environment is positive; that we always consider social responsibility; and that the Company makes governance a priority.

Approved by

DocuSigned by:

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Jonathan Gain
Director

25 April 2022

STELLAR ASSET MANAGEMENT LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

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

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
Daryl Hine
Claire Taylor

RESULTS AND DIVIDENDS

The results for the year are set out on page 9.

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

AUDITOR

RSM UK Audit LLP has 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 Section 414c (11) of the Companies Act 2006, included in the Strategic Report is the review of the business and principal risks.

Approved by

DocuSigned by:

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Jonathan Gain
Director

25 April 2022

STELLAR ASSET MANAGEMENT LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021**

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 2021 which comprise statement of income and retained earnings, the statements of financial position, the statement of cash flows, and notes to the financial statements and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its 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

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

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of 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 have 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 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, 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 5, 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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the Company operates in and how the Company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud for regulated entities, as defined in ISA 250B: having obtained an understanding of the effectiveness of the control environment.

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

As a result of these procedures, we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting correspondence with local tax authorities, and evaluating advice received from internal tax advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to FCA compliance. We performed audit procedures to inquire of management and those charged with governance whether the Company is in compliance with these laws and regulations, and inspected correspondence with the FCA.

The audit engagement team identified the risk of management override of controls and revenue recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed for management override included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business.

Audit procedures performed for revenue recognition included but were not limited to testing the existence and valuation of revenue substantively considering the treatment of revenue in the correct reporting period and testing manually the completeness of revenue in the accounting system.

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.

DocuSigned by:

David Blacher

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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 2022

STELLAR ASSET MANAGEMENT LIMITED**STATEMENT OF INCOME AND RETAINED EARNINGS**
For the year ended 31 December 2021

	Notes	2021 £	2020 £
TURNOVER	3	3,650,915	4,696,250
Administrative expenses		(3,218,523)	(3,303,693)
OPERATING PROFIT		432,392	1,392,557
Interest Payable	4	(6,645)	(1,549)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5	425,747	1,391,008
Taxation	7	(120,926)	(239,067)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION AND PROFIT FOR THE FINANCIAL YEAR		304,821	1,151,941
RETAINED EARNINGS AT 1 JANUARY		1,236,035	84,094
RETAINED EARNINGS AT 31 DECEMBER		1,540,856	1,236,035

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.

STELLAR ASSET MANAGEMENT LIMITED

COMPANY NUMBER: 06381679

STATEMENT OF FINANCIAL POSITION
For the year ended 31 December 2021

	Notes	2021 £	2020 £
FIXED ASSETS			
Tangible assets	8	65,652	26,259
CURRENT ASSETS			
Debtors	9	2,264,727	718,550
Cash at bank and in hand		545,445	2,636,126
		<u>2,875,824</u>	<u>3,380,935</u>
CURRENT LIABILITIES			
Creditors: amounts falling due within one year	10	(694,388)	(1,459,400)
NET CURRENT ASSETS		2,115,784	1,895,276
Creditors: amounts falling due after more than one year	11	<u>(175,580)</u>	<u>(220,500)</u>
NET ASSETS		<u>2,005,856</u>	<u>1,701,035</u>
CAPITAL AND RESERVES			
Called up share capital	12	232,500	232,500
Share Premium		232,500	232,500
Profit and loss account		1,540,856	1,236,035
TOTAL EQUITY		<u>2,005,856</u>	<u>1,701,035</u>

The financial statements on pages 9 to 20 were approved by the board of directors and authorised for issue on 25 April 2022 and are signed on its behalf by:

DocuSigned by:

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Jonathan Gain
Director

Stellar Asset Management Limited**STATEMENT OF CASH FLOWS**
For the year ended 31 December 2021

	Notes	2021 £	2020 £
OPERATING ACTIVITIES			
Cash generated from operations	13	(2,005,101)	2,292,597
Income taxes paid			
NET CASH FROM OPERATING ACTIVITIES		<u>(2,005,101)</u>	<u>2,292,597</u>
INVESTING ACTIVITIES			
Purchase of tangible fixed assets	8	<u>(65,162)</u>	<u>(19,629)</u>
NET CASH USED IN INVESTING ACTIVITIES		<u>(65,162)</u>	<u>(19,629)</u>
FINANCING ACTIVITIES			
Repayments of obligations under finance lease		-	(5,340)
Repayment of CBILS borrowings	10 &11	(20,418)	-
CBILS Loan		<u>-</u>	<u>245,000</u>
NET CASH FROM IN FINANCING ACTIVITIES		<u>(20,418)</u>	<u>239,660</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS		<u>(2,090,681)</u>	<u>2,512,628</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		<u>2,636,126</u>	<u>123,498</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR		<u><u>545,445</u></u>	<u><u>2,636,126</u></u>

STELLAR ASSET MANAGEMENT LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
For the year ended 31 December 2021

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 directors have prepared the financial statements on a going concern basis. They have carried out a detailed review of the trading position and cash flow projections for the foreseeable future. This includes a review of forecasts for at least a twelve-month period after the date of approval of the financial statements including stress testing of the business considering recent uncertainty created by the COVID-19 virus. No scenario where the Company was stressed resulted in an inability to meet its medium-term cash requirements. At the time of signing the Company was in line with expectations, allowing for the market drawdown, and customers continued to invest. The Company maintains significant cash reserves and the directors are therefore confident that sufficient financial resources will be available to enable the Company to meet the cash requirements as set out in the relevant projections.

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.

STELLAR ASSET MANAGEMENT LIMITED**NOTES TO THE FINANCIAL STATEMENTS****For the year ended 31 December 2021**

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

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.

STELLAR ASSET MANAGEMENT LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)**
For the year ended 31 December 2021

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.

STELLAR ASSET MANAGEMENT LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****For the year ended 31 December 2021*****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

	2021	2020
	£	£
Finance leases and hire purchase contracts	-	1,549
Other	6,645	-
	<u>6,645</u>	<u>1,549</u>

STELLAR ASSET MANAGEMENT LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)**
For the year ended 31 December 2021**5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

	2021	2020
	£	£
Profit on ordinary activities before taxation is stated after charging		
Depreciation of tangible fixed assets	25,769	20,695
Depreciation of leased assets	-	19,031
Operating lease rentals	<u>98,929</u>	<u>76,465</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	22,500	18,500
	<u>22,500</u>	<u>18,500</u>

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

<u>28</u>	<u>21</u>
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	2021	2020
	£	£
Staff costs for the above persons:		
Wages and salaries	1,800,568	1,834,405
Social security costs	213,566	143,231
Pension costs	77,014	51,131
	<u>2,091,148</u>	<u>2,028,767</u>

Members of money purchase pension schemes	<u>3</u>	<u>3</u>
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7. TAXATION

	2021	2020
	£	£
Current tax		
UK corporation tax	81,174	239,067
Adjustments in respect of prior year	39,752	-
Total current tax	<u>120,926</u>	<u>239,067</u>
Deferred tax		
Origination and reversal of timing differences	-	-
Total deferred tax	<u>-</u>	<u>-</u>
Total tax on profit on ordinary activities	<u>120,926</u>	<u>239,067</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 2021**7. TAXATION (Continued)**

The tax assessed for the year is higher than (2020: lower than) the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%). The differences are explained below:

	2021 £	2020 £
Company profit on ordinary activities before tax	425,747	1,391,008
Company profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%).	80,892	264,292
Effects of:		
Expenses that are not deductible in determining taxable profit	7,810	1,064
Difference between depreciation and capital allowances	(7,528)	3,766
Losses (utilised)/carried forward	-	(30,055)
Tax expense	81,174	239,067

The Company has no tax losses or deferred tax assets.

8. TANGIBLE FIXED ASSETS

	Office equipment £	Web development £	Total £
Cost			
1 January 2021	138,063	59,999	198,062
Additions	65,162	-	65,162
Disposals	(55,369)	-	(55,369)
31 December 2021	147,856	59,999	207,855
Depreciation			
1 January 2021	115,281	56,522	171,803
Depreciation charged in the year	22,292	3,477	25,769
Eliminated on disposals	(55,369)	-	(55,369)
31 December 2021	82,204	59,999	142,203
Carrying amount:			
31 December 2021	65,652	-	65,652
31 December 2020	22,782	3,477	26,259

Included in office equipment are assets held under finance lease agreements at a cost of £31,055 (2020: £65,407), accumulated depreciation of £31,055 (2020: £65,407), and net book value of £nil (2020: £nil).

STELLAR ASSET MANAGEMENT LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)**
For the year ended 31 December 2021**9. DEBTORS**

	2021	2020
	£	£
Amounts falling due within one year:		
Trade debtors	152,426	237,189
Other debtors	297,758	23,110
Prepayments and accrued income	1,814,543	458,251
Deferred tax asset	-	-
	<u>2,264,727</u>	<u>718,550</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Trade creditors	66,976	84,435
Other tax and social security	126,114	331,586
Other creditors	-	103,300
Accruals and deferred income	158,888	690,039
CBILS Loan	49,002	24,500
Corporation tax	293,408	225,540
	<u>694,388</u>	<u>1,459,400</u>

The CBILS loan includes a fixed and floating charge.

11. CREDITORS: AMOUNTS FALLING AFTER ONE YEAR

	2021	2020
	£	£
CBILS Loan	<u>175,580</u>	<u>220,500</u>
	<u>175,580</u>	<u>220,500</u>

The CBILS loan includes a fixed and floating charge

12. SHARE CAPITAL & RESERVES

	2021	2020
	£	£
Allotted, issued and fully paid		
• 265,000 (2020: 265,000) Ordinary shares of 50p each	132,500	132,500
• 200,000 (2020: 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.

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 2021****13. RECONCILIATION OF PROFIT AFTER TAX TO NET CASH GENERATED FROM OPERATIONS**

	2021	2020
	£	£
Profit after tax	304,821	1,151,941
Adjustments for:		
Depreciation of tangible fixed assets	25,769	39,726
Operating cash flows before movements in working capital	330,590	1,191,667
Decrease /(Increase) in trade and other debtors	(1,546,177)	334,052
Increase in trade and other creditors	(789,514)	766,878
Cash generated from operations	(2,005,101)	2,292,597

ANALYSIS OF CHANGES IN NET CASH

	At 1 Jan 2021	Cashflows	At 31 Dec 2021
Cash			
Cash at bank and in hand	2,636,126	(2,070,264)	545,445
Borrowings			
CBILS Loan	(245,000)	(20,418)	(224,582)
Total	2,391,126	(2,090,682)	320,863

14. COMMITMENTS UNDER OPERATING LEASES

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

	2021	2020
	£	£
Amounts due:		
Within one year	99,345	77,258
Between one and five years	80,696	169,681
	180,041	246,939

15. FINANCIAL INSTRUMENTS

	2021	2020
	£	£
Carrying amount of financial assets		
Measured at amortised cost	2,264,727	718,550
Carrying amount of financial liabilities		
Measured at amortised cost	450,446	1,122,774

STELLAR ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2021

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 £639,375 (2020: £1,067,765).

17. PENSION SCHEMES

During the year £77,013 (2020: £51,131) has been charged to profit and loss account in respect of the defined contribution pension scheme. There was £2,188 outstanding at the balance sheet date (2020: £6,890).

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.