

Company Registration No. SC231678 (Scotland)

CS Managers Ltd

**Annual report and financial statements
for the year ended 31 March 2020**



Saffery Champness
CHARTERED ACCOUNTANTS

COMPANIES HOUSE

16 OCT 2020

EDINBURGH MAILBOX

CS Managers Ltd

Company information

Directors	Andrew Campbell William Forsyth Linda Forsyth
Secretary	Linda Forsyth
Company number	SC231678
Registered office	Edinburgh Quay 133 Fountainbridge Edinburgh EH3 9BA
Independent auditor	Saffery Champness LLP Edinburgh Quay 133 Fountainbridge Edinburgh EH3 9BA
Business address	43 Charlotte Square Edinburgh EH2 4HQ
Bankers	Handelsbanken 18 Charlotte Square Edinburgh EH2 4DF

CS Managers Ltd

Contents

	Page
Strategic report	1 - 4
Directors' report	5 - 6
Independent auditor's report	7 - 9
Statement of comprehensive income	10
Statement of financial position	11
Statement of changes in equity	12
Statement of cash flows	13
Notes to the financial statements	14 - 30

CS Managers Ltd

Strategic report

For the year ended 31 March 2020

The directors present the strategic report for the year ended 31 March 2020.

Fair review of the business

CS Managers Ltd is a UK Company regulated by the Financial Conduct Authority ("FCA") providing discretionary investment management service to private client, charity and pension portfolios.

The directors are responsible for the overall stewardship of the company. The company's performance for the year is set out in the Profit and Loss account on page 7 and is considered by the directors to be satisfactory compared to last year, to budget and to the company's longer term strategy as an FCA authorised firm.

The company's strategic aims are primarily measured by the growth in the assets under its management, its turnover and profit before tax and the investment returns over the long term it generates for its clients.

COVID 19

In March 2020, the World Health Organisation declared COVID-19 a pandemic. The directors have considered the impact of COVID-19 on the company and have concluded that any adverse effect will be relatively low.

At the date of approval of the financial statements, the directors have prepared and approved up to date management accounts, budgets and cash flow projections.

Having considered the matters above, the directors are of the view that the company will have sufficient resources to continue to operate and meet debts as they fall due for the foreseeable future. The financial statements have therefore been drawn up on a going concern basis.

CS Managers Ltd

Strategic report (continued)

For the year ended 31 March 2020

Principal risks and uncertainties

The company has identified and assessed the key risks to the business as set out below. Given the size of the company and its business model, which is not complex, it considers these risks to be modest and appropriately managed or mitigated.

Credit risk

This represents loss that would result from non-payment of management fees. Since all fees are automatically settled by deduction from the funds held by the custodian, there is little credit risk associated with these. At the balance sheet date there was no other significant external exposure to credit risk.

Operational risk

This refers to the risk of financial or other loss that can arise from inadequate or failed business processes and systems, human error or external events. This could include administration and/or dealing errors or breaches or investment mandate breach. The company's risk management framework is designed to identify potential sources of error arising from its operations and strengthen, as necessary, its internal systems and processes, supervisory and oversight functions in order to minimise residual risk exposure.

Market risk

Since a major part of the company's income is linked to the value of assets under its management, there is a risk of reduction in revenues resulting from adverse movement in securities markets. There is also an investment risk associated with over exposure to certain sectors or assets. The company seeks to mitigate these risks by the breadth of diversification within a sound asset allocation framework and the quality of its research and analysis.

Business and regulatory risk

This is the risk arising from changes in its business, which may prevent the company from carrying out its business plan and desired strategy. The company keeps under review progress against the company's strategic objectives, and any material structural changes to these. The company applies internal and external sources of regulatory advice to minimise the risk of breaches occurring, which could affect reputational risk and regulatory standing. The company maintains professional indemnity cover from established industry provider to minimise the risk of loss.

Liquidity risk

In order to ensure the company has sufficient funds to meet its financial obligations in a timely manner, it monitors the position within a liquidity risk management framework and maintains an excess of liquidity in excess of the regulatory BIPRU requirements to mitigate the risk. The company does not hold illiquid assets on its Balance Sheet except for fixed assets, nor is it dependent on borrowing or external financing for any aspect of its business.

Outsourcing

The company outsources certain administrative activities to third parties who are specialists in this area and keeps under review their financial stability and operational excellence to ensure standards are met.

FCA and BIPRU Disclosures

The disclosures of the company made in order to comply with the UK Financial Conduct Authority (FCA) Prudential Sourcebook for Banks, Building Societies and Investment Firms (BIPRU) and the rules which implement the EU Directives underlying the capital adequacy framework, are available on the company's website.

Regulatory Capital

The company's Capital Resources Requirement ("CRR") Pillar 1 calculation, as a €50k BIPRU investment firm, is its variable capital requirement (£238,000), which is higher than its base capital requirement (£44,000).

Having performed the ICAAP, the company has concluded that no additional capital is required in excess of its Pillar 1 capital requirement. The company currently holds £1,268,000 as Tier 1 capital to meet its CRR. The company considers this amount to be sufficient regulatory capital to support the business and has not identified any areas which give rise to a requirement to hold additional risk based capital.

The company's ICAAP is reviewed annually, but will be revised in the event of any material changes to the Firm's business or risk profile.

Financial Position of the company at 31 March 2020

Having generated a profit after tax for the year of £192,093 (2019: £215,498), the company had net assets amounting to £1,266,354 (2019: £1,094,611) at 31 March 2020 and a strong cash position. The directors are satisfied with the financial position of the company at the year end and expect sound financial performance in the future.

CS Managers Ltd

Strategic report (continued)

For the year ended 31 March 2020

Key Performance Indicators

The company's activities are not complex in nature. The directors measure performance from a combination of factors including good customer outcomes; a growth in assets under management by value and in portfolios by number; net business gained or lost; increase in Balance Sheet value; comparative profitability;

By order of the board



Linda Forsyth

Secretary

Date: 28.08.2020

CS Managers Ltd

Directors' report

For the year ended 31 March 2020

The directors present their report and financial statements for the year ended 31 March 2020.

Principal activities

The principal activity of the company is fund management activities.

Directors

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

Andrew Campbell
William Forsyth
Linda Forsyth

Results and dividends

The results for the year are set out on page 10.

Ordinary dividends were paid amounting to £20,350. The directors do not recommend payment of a final dividend.

Auditor

Saffery Champness LLP have expressed their willingness to continue in office.

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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.

CS Managers Ltd

**Directors' report (continued)
For the year ended 31 March 2020**

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.

By order of the board



Linda Forsyth
Secretary

Date: 28.08.20

CS Managers Ltd

Independent auditor's report

To the members of CS Managers Ltd

Opinion

We have audited the financial statements of CS Managers Ltd (the 'company') for the year ended 31 March 2020 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, 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 March 2020 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.

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.

CS Managers Ltd

Independent auditor's report (continued) To the members of CS Managers Ltd

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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 our audit:

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

CS Managers Ltd

Independent auditor's report (continued)

To the members of CS Managers Ltd

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.



Kenneth McDowell (Senior Statutory Auditor)
for and on behalf of Saffery Champness LLP

Date: 28 August 2020

Chartered Accountants
Statutory Auditors

Edinburgh Quay
133 Fountainbridge
Edinburgh
EH3 9BA

CS Managers Ltd**Statement of comprehensive income
For the year ended 31 March 2020**

	Notes	2020 £	2019 £
Turnover	3	1,185,230	1,105,086
Administrative expenses		(954,946)	(859,434)
Operating profit	5	230,284	245,652
Interest receivable and similar income	7	11,752	9,060
Other gains and losses	8	(2,282)	10,667
Profit before taxation		239,754	265,379
Tax on profit	9	(47,661)	(49,881)
Profit for the financial year		192,093	215,498

The income statement has been prepared on the basis that all operations are continuing operations.

CS Managers Ltd

**Statement of financial position
As at 31 March 2020**

	Notes	£	2020 £	£	2019 £
Fixed assets					
Tangible assets	11		20,322		20,165
Investments	12		588,485		581,585
			<u>608,807</u>		<u>601,750</u>
Current assets					
Debtors	14	334,437		206,374	
Cash at bank and in hand		468,718		433,721	
		<u>803,155</u>		<u>640,095</u>	
Creditors: amounts falling due within one year	15	(140,348)		(145,962)	
Net current assets			<u>662,807</u>		<u>494,133</u>
Total assets less current liabilities			<u>1,271,614</u>		<u>1,095,883</u>
Provisions for liabilities	16		(5,260)		(1,272)
Net assets			<u>1,266,354</u>		<u>1,094,611</u>
Capital and reserves					
Called up share capital	19		46,250		46,250
Share premium account	20		152,502		152,502
Other reserves	21		203,391		203,391
Profit and loss reserves	23		864,211		692,468
Total equity			<u>1,266,354</u>		<u>1,094,611</u>

The financial statements were approved by the board of directors and authorised for issue on 28 August 2020 and are signed on its behalf by:



William Forsyth
Director

Company Registration No. SC231678

CS Managers Ltd

**Statement of changes in equity
For the year ended 31 March 2020**

		Share capital	Share premium account	Other reserves	Profit and loss reserves	Total
	Notes	£	£	£	£	£
Balance at 1 April 2018		46,250	152,502	203,391	497,320	899,463
Year ended 31 March 2019:						
Profit and total comprehensive income for the year		-	-	-	215,498	215,498
Dividends	10	-	-	-	(20,350)	(20,350)
Balance at 31 March 2019		46,250	152,502	203,391	692,468	1,094,611
Year ended 31 March 2020:						
Profit and total comprehensive income for the year		-	-	-	192,093	192,093
Dividends	10	-	-	-	(20,350)	(20,350)
Balance at 31 March 2020		46,250	152,502	203,391	864,211	1,266,354

CS Managers Ltd

Statement of cash flows
For the year ended 31 March 2020

	Notes	2020 £	2019 £
Cash flows from operating activities			
Cash generated from operations	27	109,722	260,901
Income taxes paid		(47,479)	(58,605)
Net cash inflow from operating activities		62,243	202,296
Investing activities			
Purchase of tangible fixed assets		(9,466)	(21,408)
Proceeds on disposal of fixed asset investments		(6,900)	(71,413)
Proceeds from other investments and loans		(2,282)	10,667
Interest received		5,610	614
Dividends received		6,142	8,446
Net cash used in investing activities		(6,896)	(73,094)
Financing activities			
Dividends paid		(20,350)	(20,350)
Net cash used in financing activities		(20,350)	(20,350)
Net increase in cash and cash equivalents		34,997	108,852
Cash and cash equivalents at beginning of year		433,721	324,869
Cash and cash equivalents at end of year		468,718	433,721

CS Managers Ltd

Notes to the financial statements For the year ended 31 March 2020

1 Accounting policies

Company information

CS Managers Ltd is a private company limited by shares incorporated in Scotland. The registered office is Edinburgh Quay, 133 Fountainbridge, Edinburgh, EH3 9BA.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements. Going concern considerations as a consequence of COVID-19 are disclosed further in note 25 to the financial statements.

1.3 Turnover

Turnover represents fees received in relation to investment management. Fees are recognised once earned.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	33% Straight line
-----------------------	-------------------

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

Notes to the financial statements (continued)
For the year ended 31 March 2020

1 Accounting policies (continued)

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

Other investments are included at fair value.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial Instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

1 Accounting policies (continued)

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, 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.

1 Accounting policies (continued)

Basic financial liabilities

Basic financial liabilities, including creditors, 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. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Other financial liabilities, including debt instruments that do not meet the definition of a basic financial instrument, are measured at fair value through profit or loss.

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.

Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.9 Equity instruments

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

Notes to the financial statements (continued)
For the year ended 31 March 2020

1 Accounting policies (continued)

1.10 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the Income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

Notes to the financial statements (continued)
For the year ended 31 March 2020

1 Accounting policies (continued)

1.12 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 fixed assets.

The cost of any unused holiday entitlement if material, is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

The company operates a defined contribution scheme for the benefit of some of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.15 Website development costs

Website development costs are expensed as the website is not considered to be a revenue generating asset in its own right therefore no enduring economic benefit arises to the company directly as a result of operating the website. This treatment is in accordance with FRS 102.

2 Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

CS Managers Ltd

Notes to the financial statements (continued) For the year ended 31 March 2020

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2020	2019
	£	£
Turnover analysed by class of business		
Loyalty bonus	44,137	36,120
Management fees	1,136,093	1,055,369
Other income	5,000	13,597
	<u>1,185,230</u>	<u>1,105,086</u>

	2020	2019
	£	£
Other significant revenue		
Interest income	5,610	614
Dividends received	6,142	8,446
	<u>11,752</u>	<u>9,060</u>

	2020	2019
	£	£
Turnover analysed by geographical market		
United Kingdom	<u>1,185,230</u>	<u>1,105,086</u>

4 Employees

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

2020	2019
Number	Number
<u>11</u>	<u>11</u>

CS Managers Ltd

Notes to the financial statements (continued)
For the year ended 31 March 2020

4 Employees (continued)

Their aggregate remuneration comprised:

	2020	2019
	£	£
Wages and salaries	511,381	516,462
Social security costs	53,275	47,865
Pension costs	15,149	12,996
	<u>579,805</u>	<u>577,323</u>

5 Operating profit

	2020	2019
	£	£
Operating profit for the year is stated after charging:		
Fees payable to the company's auditor for the audit of the company's financial statements	7,650	7,350
Depreciation of owned tangible fixed assets	9,309	6,396
Operating lease charges	<u>63,868</u>	<u>30,688</u>

6 Directors' remuneration

	2020	2019
	£	£
Remuneration for qualifying services	<u>225,055</u>	<u>255,698</u>

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

	2020	2019
	£	£
Remuneration for qualifying services	115,000	118,000
Company pension contributions to defined contribution schemes	<u>4,800</u>	<u>25,925</u>

CS Managers Ltd

Notes to the financial statements (continued)
For the year ended 31 March 2020

7 Interest receivable and similar income

	2020	2019
	£	£
Interest income		
Interest on bank deposits	5,610	614
Other income from investments		
Dividends received	6,142	8,446
Total income	<u>11,752</u>	<u>9,060</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	5,610	614
Dividends from financial assets measured at fair value through profit or loss	<u>6,142</u>	<u>8,446</u>

**8 Other gains and losses
fixed asset investments**

	2020	2019
	£	£
Fair value gains/(losses) on financial instruments		
Amounts written back to/(written off) fair value through profit or loss	4,337	(990)
Other gains/(losses)		
(Loss)/gain on disposal of financial assets held at fair value through profit or loss	<u>(6,619)</u>	<u>11,657</u>
	<u>(2,282)</u>	<u>10,667</u>

9 Taxation

	2020	2019
	£	£
Current tax		
UK corporation tax on profits for the current period	<u>43,673</u>	<u>48,609</u>
Deferred tax		
Origination and reversal of timing differences	<u>3,988</u>	<u>1,272</u>
Total tax charge	<u>47,661</u>	<u>49,881</u>

CS Managers Ltd**Notes to the financial statements (continued)****For the year ended 31 March 2020****9 Taxation (continued)**

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

	2020	2019
	£	£
Profit before taxation	239,754	265,379
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	45,553	50,422
Tax effect of expenses that are not deductible in determining taxable profit	5,086	3,011
Tax effect of income not taxable in determining taxable profit	(824)	(2,215)
Gains not taxable		4,031
Adjustments in respect of prior years	(1,135)	
Other permanent differences	(1,167)	(1,408)
Under/(over) provided in prior years		1,179
Deferred tax adjustments in respect of prior years	148	(4,881)
Income tax suffered		(258)
Taxation charge for the year	47,661	49,881

10 Dividends

	2020	2019
	£	£
Interim paid	20,350	20,350

CS Managers Ltd

**Notes to the financial statements (continued)
For the year ended 31 March 2020**

11 Tangible fixed assets

	Fixtures and fittings £
Cost	
At 1 April 2019	48,908
Additions	9,466
Disposals	(1,104)
At 31 March 2020	<u>57,270</u>
Depreciation and impairment	
At 1 April 2019	28,743
Depreciation charged in the year	9,309
Eliminated in respect of disposals	(1,104)
At 31 March 2020	<u>36,948</u>
Carrying amount	
At 31 March 2020	<u>20,322</u>
At 31 March 2019	<u>20,165</u>

12 Fixed asset investments

	Notes	2020 £	2019 £
Investments in subsidiaries	13	2	2
Listed Investments		<u>588,483</u>	<u>581,583</u>
		<u>588,485</u>	<u>581,585</u>
Listed investments included above:			
Listed Investments carrying amount		<u>588,483</u>	<u>581,583</u>

CS Managers Ltd

Notes to the financial statements (continued)
For the year ended 31 March 2020

12 Fixed asset investments (continued)

Movements in fixed asset investments

	Shares in group undertakings	Other investments other than loans	Total
	£	£	£
Cost or valuation			
At 1 April 2019	2	581,583	581,585
Additions	-	111,347	111,347
Valuation changes	-	4,338	4,338
Disposals	-	(108,785)	(108,785)
At 31 March 2020	2	588,483	588,485
Carrying amount			
At 31 March 2020	2	588,483	588,485
At 31 March 2019	2	581,583	581,585

13 Subsidiaries

Details of the company's subsidiaries at 31 March 2020 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held	
			Direct	Indirect
Charlotte Square Investments Ltd	Scotland	Ordinary	100.00	-
Charlotte Square Wealth Managers Ltd	Scotland	Ordinary	100.00	-
Charlotte Square Managers Limited	Scotland	Ordinary	100.00	-

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Capital and Reserves	Profit/(Loss)
	£	£
Charlotte Square Investments Ltd	1	-
Charlotte Square Wealth Managers Ltd	1	-

CS Managers Ltd

Notes to the financial statements (continued)
For the year ended 31 March 2020

14 Debtors

	2020	2019
	£	£
Amounts falling due within one year:		
Trade debtors	317,185	199,822
Prepayments and accrued income	17,252	6,552
	<u>334,437</u>	<u>206,374</u>

15 Creditors: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	14,061	17,417
Amounts owed to group undertakings	1	1
Corporation tax	44,809	48,615
Other taxation and social security	60,859	39,454
Other creditors	6,618	5,475
Accruals and deferred income	14,000	35,000
	<u>140,348</u>	<u>145,962</u>

16 Provisions for liabilities

	Notes	2020	2019
		£	£
Deferred tax liabilities	17	<u>5,260</u>	<u>1,272</u>

17 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities	Liabilities
	2020	2019
	£	£
Balances:		
Accelerated capital allowances	<u>5,260</u>	<u>1,272</u>

CS Managers Ltd

Notes to the financial statements (continued)

For the year ended 31 March 2020

17 Deferred taxation (continued)

	2020
	£
Movements in the year:	
Liability at 1 April 2019	1,272
Charge to profit or loss	3,988
Liability at 31 March 2020	<u>5,260</u>

The deferred tax liability set out above is expected to reverse within [12 months] and relates to accelerated capital allowances that are expected to mature within the same period.

18 Retirement benefit schemes

	2020	2019
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>15,149</u>	<u>12,996</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

19 Share capital

	2020	2019
	£	£
Ordinary share capital		
Issued and fully paid		
925,000 Ordinary shares of 5p each	<u>46,250</u>	<u>46,250</u>

20 Share premium account

	2020	2019
	£	£
At the beginning and end of the year	<u>152,502</u>	<u>152,502</u>

21 Other reserves

CS Managers Ltd

Notes to the financial statements (continued) For the year ended 31 March 2020

21 Other reserves (continued)

	£
At the beginning of the prior year	203,391
At the end of the prior year	203,391
At the end of the current year	203,391

22 Equity settled share-based transactions

An employee of the company holds options to subscribe for 138,750 shares in the company under the Enterprise Management Incentive scheme. The options are exercisable at prices ranging from £0.05p to £0.90p per share. At 31 March 2020, 138,750 shares (2019: 73,314) had vested. None of the options have been exercised. The options expire in December 2025. Any charge in relation to these options would be immaterial and so no charge has been made.

23 Profit and loss reserves

	2020 £	2019 £
At the beginning of the year	692,468	497,320
Profit for the year	192,093	215,498
Dividends declared and paid in the year	(20,350)	(20,350)
At the end of the year	864,211	692,468

CS Managers Ltd

Notes to the financial statements (continued)

For the year ended 31 March 2020

24 Operating lease commitments

Lessee

The company has future operating lease commitment of £131,476 (2019: £180,156).

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2020	2019
	£	£
Within one year	44,396	48,680
Between two and five years	87,080	131,476
	<u>131,476</u>	<u>180,156</u>

25 COVID 19

In March 2020, the World Health Organisation declared COVID-19 a pandemic. The directors have considered the impact of COVID-19 on the company and have concluded that any adverse effect will be relatively low.

At the date of approval of the financial statements, the directors have prepared and approved up to date management accounts, budgets and cash flow projections.

Having considered the matters above, the directors are of the view that the company will have sufficient resources to continue to operate and meet debts as they fall due for the foreseeable future. The financial statements have therefore been drawn up on a going concern basis.

26 Related party transactions

The company paid a dividend of £6,634 (2019: £6,634) to the company's directors.

CS Managers Ltd

Notes to the financial statements (continued)
For the year ended 31 March 2020

27 Cash generated from operations

	2020 £	2019 £
Profit for the year after tax	192,093	215,498
Adjustments for:		
Taxation charged	47,661	49,881
Investment income	(11,752)	(9,060)
Depreciation and impairment of tangible fixed assets	9,309	6,396
Other gains and losses	2,282	(10,667)
Movements in working capital:		
(Increase)/decrease in debtors	(128,063)	2,428
(Decrease)/increase in creditors	(1,808)	6,425
Cash generated from operations	<u>109,722</u>	<u>260,901</u>

28 Analysis of changes in net funds

	1 April 2019 £	Cash flows £	31 March 2020 £
Cash at bank and in hand	<u>433,721</u>	<u>34,997</u>	<u>468,718</u>