

Financial Statements for the Year Ended 31st July 2020

for

CORNERSTONE ASSET MANAGEMENT LLP

Contents of the Financial Statements
for the Year Ended 31st July 2020

	Page
General Information	1
Statement of Financial Position	2
Notes to the Financial Statements	4

CORNERSTONE ASSET MANAGEMENT LLP

General Information
for the Year Ended 31st July 2020

DESIGNATED MEMBERS:	Boltachan LLP M H McPherson 140 Ltd
REGISTERED OFFICE:	Exchange Tower 19 Canning Street Edinburgh EH3 8EH
REGISTERED NUMBER:	SO302894 (Scotland)
INDEPENDENT AUDITORS:	Azets Audit Services Statutory Auditor Chartered Accountants Titanium 1 King's Inch Place Renfrew PA4 8WF

Statement of Financial Position
31st July 2020

	Notes	2020		2019	
		£	£	£	£
FIXED ASSETS					
Tangible assets	4		138,663		162,152
CURRENT ASSETS					
Debtors	5	318,084		284,912	
Cash at bank and in hand		422,442		389,049	
		740,526		673,961	
CREDITORS					
Amounts falling due within one year	6	258,499		186,545	
NET CURRENT ASSETS			482,027		487,416
TOTAL ASSETS LESS CURRENT LIABILITIES			620,690		649,568
CREDITORS					
Amounts falling due after more than one year	7		60,802		75,904
NET ASSETS ATTRIBUTABLE TO MEMBERS			559,888		573,664
LOANS AND OTHER DEBTS DUE TO MEMBERS	9		509,888		523,664
MEMBERS' OTHER INTERESTS					
Capital accounts			50,000		50,000
			559,888		573,664
TOTAL MEMBERS' INTERESTS					
Loans and other debts due to members	9		509,888		523,664
Members' other interests			50,000		50,000
			559,888		573,664

The notes form part of these financial statements

Statement of Financial Position - continued
31st July 2020

The financial statements have been prepared and delivered in accordance with the provisions applicable to LLPs subject to the small LLPs regime.

In accordance with Section 444 of the Companies Act 2006 as applied to LLPs by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008, the Income Statement has not been delivered.

The financial statements were approved and authorised for issue by the members of the LLP and authorised for issue on 29th December 2020 and were signed by:

140 Ltd - Designated member

Notes to the Financial Statements
for the Year Ended 31st July 2020

1. **STATUTORY INFORMATION**

Cornerstone Asset Management LLP is registered in Scotland. The LLP's registered number and registered office address can be found on the General Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

Monetary amounts in these financial statements are rounded to the nearest £.

2. **ACCOUNTING POLICIES**

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the requirements of the Statement of Recommended Practice, Accounting by Limited Liability Partnerships. The financial statements have been prepared under the historical cost convention.

The disclosure requirements of Section 1A of Financial Reporting Standard 102 have been applied other than where additional disclosure is required to show a true and fair view.

The principal accounting policies adopted are set out below.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the limited liability partnership's accounting policies, the members 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.

Turnover

Turnover comprises the fees, net of clawbacks and commission payable, receivable in respect of services provided by the LLP. Income is recognised over the period in which fees are earned.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Improvements to property	- Over the period of the lease
Fixtures and fittings	- 15% on cost
Computer equipment	- 33% on cost

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

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 recognised in the income statement.

Notes to the Financial Statements - continued
for the Year Ended 31st July 2020

2. **ACCOUNTING POLICIES - continued**

Financial instruments

The limited liability partnership 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 limited liability partnership's statement of financial position when the limited liability partnership becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and 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 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 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.

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 limited liability partnership 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 limited liability partnership after deducting all of its liabilities.

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.

Notes to the Financial Statements - continued
for the Year Ended 31st July 2020

2. **ACCOUNTING POLICIES - continued**

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.

Derecognition of financial liabilities

Financial liabilities are derecognised when the limited liability partnership's obligations expire or are discharged or cancelled.

Hire purchase and leasing commitments

Rentals paid under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The LLP operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the LLP. Contributions payable to the LLP's pension scheme are charged to profit or loss in the period to which they relate.

Going concern

The members are required to prepare the statutory financial statements on the going concern basis unless it is inappropriate to presume that the LLP will continue in business. In satisfaction of this responsibility the members have considered the LLP's ability to meet its liabilities as they fall due.

The LLP has carefully considered the recent COVID-19 outbreak and the associated impact on the business. These risks include:

- a fall in revenue and decreasing cash flow due to falls in global markets and reduced opportunities to win new business;
- interruption in client engagement for a period due to either contracting the virus or measures taken to contain the outbreak.

Although it is not possible to reliably estimate the length or severity of the outbreak, at the date of signing, the LLP's operations have not been significantly adversely affected by the COVID-19 pandemic. The LLP has taken steps to deal with the risks presented and is actively managing its cost base to operate within current and forecast income levels. The business remains profitable and cash generative since the start of the outbreak. The members acknowledge the position could change suddenly depending on how the situation evolves.

The current and future financial position of the LLP, its cash flows and liquidity position have been reviewed by the members. This review includes scenario analysis with various assumptions applied to the forecast cash flows. The members are confident that the existing funding facilities and security of income provide sufficient headroom to meet the forecast cash requirements having considered any additional requirements that would be contingent on a downturn in activity (specifically in relation to the COVID-19 pandemic).

As such, the members consider that it is appropriate to prepare the financial statements on the going concern basis.

Notes to the Financial Statements - continued
for the Year Ended 31st July 2020

2. **ACCOUNTING POLICIES - continued**

Members' participating interests

Members' participation rights are the rights of a member against the LLP that arise under the members' agreement (for example, in respect of amounts subscribed or otherwise contributed remuneration and profits).

Members participation rights in the earnings or assets of the LLP are analysed between those that are, from the LLP's perspective, either a financial liability or equity, in accordance with section 22 of FRS 102. A member's participation rights including amounts subscribed or otherwise contributed by members, for example members' capital, are classed as liabilities unless the LLP has an unconditional right to refuse payment to members, in which case they are classified as equity.

All amounts due to members that are classified as liabilities are presented within 'Loans and other debts due to members' and, where such an amount relates to current year profits, they are recognised within 'Members' remuneration charged as an expense' in arriving at the relevant year's result. Undivided amounts that are classified as equity are shown within 'Members' other interests'. Amounts recoverable from members are presented as debtors and shown as amounts due from members within members' interests.

Where there exists an asset and liability component in respect of an individual member's participation rights, they are presented on a gross basis unless the LLP has both a legally enforceable right to set off the recognised amounts, and it intends either to settle on a net basis or to settle and realise these amounts simultaneously, in which case they are presented net.

Profits are divided as per the members' agreement, so the LLP does not have an unconditional right to refuse payment and the amounts arising that are due to members are in the nature of liabilities. They are therefore treated as an expense and presented as members remuneration charged as an expense in arriving at the result for the relevant year. To the extent that they remain unpaid at the period end, they are shown as liabilities.

3. **EMPLOYEE INFORMATION**

The average number of employees during the year was 14 (2019 - 19) .

4. **TANGIBLE FIXED ASSETS**

	Plant and machinery etc £
COST	
At 1st August 2019	227,766
Additions	<u>10,352</u>
At 31st July 2020	<u>238,118</u>
DEPRECIATION	
At 1st August 2019	65,614
Charge for year	<u>33,841</u>
At 31st July 2020	<u>99,455</u>
NET BOOK VALUE	
At 31st July 2020	<u>138,663</u>
At 31st July 2019	<u>162,152</u>

Notes to the Financial Statements - continued
for the Year Ended 31st July 2020

5. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2020	2019
	£	£
Trade debtors	200,810	229,717
Other debtors	117,274	55,195
	<u>318,084</u>	<u>284,912</u>

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

	2020	2019
	£	£
Trade creditors	168,955	94,567
Taxation and social security	15,045	3,390
Other creditors	74,499	88,588
	<u>258,499</u>	<u>186,545</u>

7. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2020	2019
	£	£
Other creditors	<u>60,802</u>	<u>75,904</u>

8. **LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2020	2019
	£	£
Within one year	148,566	148,566
Between one and five years	591,780	594,264
In more than five years	274,585	420,667
	<u>1,014,931</u>	<u>1,163,497</u>

9. **LOANS AND OTHER DEBTS DUE TO MEMBERS**

In the event of a winding up, the amounts included in 'Loans and other debts due to members' will rank equally with unsecured creditors.

10. **DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006**

The Report of the Auditors was unqualified.

Alan Brown (Senior Statutory Auditor)
for and on behalf of Azets Audit Services

11. **ULTIMATE CONTROLLING PARTY**

In the opinion of the members there is no ultimate controlling party.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.