

COMPANY REGISTRATION NUMBER: 02254974

Clarges Capital Limited
Financial Statements
30 June 2018



LEAMAN MATTEI
Chartered Accountants & statutory auditor
47-57 Marylebone Lane
London
W1U 2NT

Clarges Capital Limited

Financial Statements

Year ended 30 June 2018

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Clarges Capital Limited

Strategic Report

Year ended 30 June 2018

The directors have pleasure in presenting their strategic report on the affairs of Clarges Capital Limited ("the company") for the year ended 30 June 2018.

The principal activity of the company during the year was that of corporate finance and advisory services.


The company is regulated by the Financial Conduct Authority (formerly the Financial Services Authority) and is subject to the Capital Adequacy Directive. The Pillar 3 disclosure of the company is available at the following website address www.clargescapitallimited.com.

The directors have reviewed what they regard to be the key performance indicators of the business. As shown on page 8, the company reported no turnover for the year (2017: Nil) and an operating loss of £32,512 (2017: £24,604). Shareholders' funds decreased by £1,345 (2017: £8,834) as a result of share capital issued during the year and the loss for the year.

Although there was no revenue generated in the year, there are various projects which the directors anticipate will be realised and profitable in the foreseeable future. The parent company has undertaken to provide financial support where required whilst the projects are under development for a period of at least a further year. As a result, the directors consider future prospects to be reasonable.

The main financial risk arising from the company's activities is liquidity risk. The directors monitor resources on an ongoing basis to ensure they are adequate to meet foreseeable liabilities and regulatory requirements. The company's parent undertaking provides liquidity and financial support when required.

This report was approved by the board of directors on 22 October 2018 and signed on behalf of the board by:



J. Lee
Director

Registered office:
17 Hanover Square
London
W1S 1BN

Clarges Capital Limited

Directors' Report

Year ended 30 June 2018

The directors present their report and the financial statements of the company for the year ended 30 June 2018.

Principal activities

The principal activity of the company during the year was that of corporate finance and advisory services. The company is regulated by the Financial Conduct Authority (formerly the Financial Services Authority) and is subject to the Capital Adequacy Directive. The Pillar 3 disclosure of the company is available at the following website address www.clargescapitallimited.com.

Directors

The directors who served the company during the year were as follows:

J Hilleard
B Jahanshahi
J J Lee

Dividends

The directors do not recommend the payment of a dividend.

Disclosure of information in the strategic report

Please refer to the strategic report on page 1 for the principal activities and business review; and principal risks and uncertainties.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board of directors on 22 October 2018 and signed on behalf of the board by



J J Lee
Director

Registered office:
17 Hanover Square
London
W1S 1BN

Clarges Capital Limited

Directors' Responsibilities Statement

Year ended 30 June 2018

The directors are responsible for preparing the strategic report, 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 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 judgments 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.

Clarges Capital Limited

Independent Auditor's Report to the Members of Clarges Capital Limited

Year ended 30 June 2018

Opinion

We have audited the financial statements of Clarges Capital Limited (the 'company') for the year ended 30 June 2018 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and the related notes, 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).

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.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Clarges Capital Limited

Independent Auditor's Report to the Members of Clarges Capital Limited

(continued)

Year ended 30 June 2018

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report 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 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, 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.

Clarges Capital Limited

Independent Auditor's Report to the Members of Clarges Capital Limited

(continued)

Year ended 30 June 2018

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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

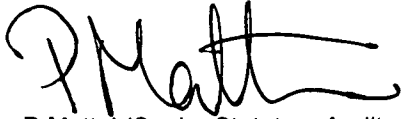
Clarges Capital Limited

Independent Auditor's Report to the Members of Clarges Capital Limited

(continued)

Year ended 30 June 2018

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



P Mattei (Senior Statutory Auditor)

For and on behalf of
Leaman Mattei
Chartered Accountants & statutory auditor
47-57 Marylebone Lane
London
W1U 2NT

22 October 2018

Clarges Capital Limited
Statement of Comprehensive Income
Year ended 30 June 2018

	Note	2018 £	2017 £
Distribution costs		439	872
Administrative expenses		32,073	23,732
Operating loss	4	(32,512)	(24,604)
Loss before taxation		(32,512)	(24,604)
Tax on loss	6	-	-
Loss for the financial year and total comprehensive income		(32,512)	(24,604)

All the activities of the company are from continuing operations.

The notes on pages 12 to 14 form part of these financial statements.

Clarges Capital Limited
Statement of Financial Position
30 June 2018

	Note	2018 £	£	2017 £
Current assets				
Debtors	7	20,811		11,101
Cash at bank and in hand		<u>27,413</u>		<u>31,522</u>
		48,224		42,623
Creditors: amounts falling due within one year	8	<u>36,140</u>		<u>29,194</u>
Net current assets			12,084	13,429
Total assets less current liabilities			12,084	13,429
Net assets			12,084	13,429
Capital and reserves				
Called up share capital	9		353,538	322,371
Profit and loss account			(341,454)	(308,942)
Shareholders funds			12,084	13,429

These financial statements were approved by the board of directors and authorised for issue on 22 October 2018, and are signed on behalf of the board by:


JJ Lee
Director

Company registration number: 02254974

The notes on pages 12 to 14 form part of these financial statements.

Clarges Capital Limited
Statement of Changes in Equity
Year ended 30 June 2018

	Called up share capital £	Profit and loss account £	Total £
At 1 July 2016	306,601	(284,338)	22,263
Loss for the year		(24,604)	(24,604)
Total comprehensive income for the year	—	(24,604)	(24,604)
Issue of shares	15,770	—	15,770
Total investments by and distributions to owners	15,770	—	15,770
At 30 June 2017	322,371	(308,942)	13,429
Loss for the year		(32,512)	(32,512)
Total comprehensive income for the year	—	(32,512)	(32,512)
Issue of shares	31,167	—	31,167
Total investments by and distributions to owners	31,167	—	31,167
At 30 June 2018	353,538	(341,454)	12,084

The notes on pages 12 to 14 form part of these financial statements.

Clarges Capital Limited

Statement of Cash Flows

Year ended 30 June 2018

	2018 £	2017 £
Cash flows from operating activities		
Loss for the financial year	(32,512)	(24,604)
<i>Adjustments for:</i>		
Accrued income	(3,400)	(315)
<i>Changes in:</i>		
Trade and other debtors	(9,710)	(10,743)
Cash generated from operations	(45,622)	(35,662)
Tax received	—	126
Net cash used in operating activities	(45,622)	(35,536)
Cash flows from financing activities		
Proceeds from issue of ordinary shares	31,167	15,770
Proceeds from borrowings	30,412	(9,703)
Proceeds from loans from group undertakings	(20,066)	17,901
Net cash from financing activities	41,513	23,968
Net decrease in cash and cash equivalents	(4,109)	(11,568)
Cash and cash equivalents at beginning of year	31,522	43,090
Cash and cash equivalents at end of year	27,413	31,522

The notes on pages 12 to 14 form part of these financial statements.

Clarges Capital Limited
Notes to the Financial Statements
Year ended 30 June 2018

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 17 Hanover Square, London, W1S 1BN.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

The parent company, PRH Group Suisse S.A., has confirmed that it will continue to support the company for a period of at least twelve months from the date that the accounts were approved by providing financing and capital as required so that the company can continue to settle its liabilities as they fall due and meet regulatory capital requirements.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Income tax

Deferred tax is provided where material in respect of the tax effect of all timing differences that have originated but not reversed at the balance sheet date.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Clarges Capital Limited

Notes to the Financial Statements *(continued)*

Year ended 30 June 2018

4. Auditor's remuneration

	2018	2017
	£	£
Fees payable for the audit of the financial statements	<u>750</u>	<u>5,000</u>
Fees payable to the company's auditor and its associates for other services: Other non-audit services	<u>850</u>	<u>315</u>

5. Tax on loss

Reconciliation of tax income

The tax assessed on the loss on ordinary activities for the year is lower than (2017: lower than) the standard rate of corporation tax in the UK of 19% (2017: 19%).

	2018	2017
	£	£
Loss on ordinary activities before taxation	<u>(32,512)</u>	<u>(24,604)</u>
Loss on ordinary activities by rate of tax	<u>6,177</u>	<u>4,675</u>
Unused tax losses	<u>(6,177)</u>	<u>(4,675)</u>
Tax on loss	<u>-</u>	<u>-</u>

6. Debtors

	2018	2017
	£	£
Amounts owed by group undertakings	<u>19,980</u>	<u>10,000</u>
Other debtors	<u>831</u>	<u>1,101</u>
	<u>20,811</u>	<u>11,101</u>

7. Creditors: amounts falling due within one year

	2018	2017
	£	£
Amounts owed to group undertakings	-	20,066
Accruals and deferred income	<u>1,700</u>	<u>5,100</u>
Corporation tax	<u>126</u>	<u>126</u>
Director loan accounts	<u>34,314</u>	<u>3,902</u>
	<u>36,140</u>	<u>29,194</u>

Clarges Capital Limited

Notes to the Financial Statements *(continued)*

Year ended 30 June 2018

8. Called up share capital

Issued, called up and fully paid

	2018		2017	
	No.	£	No.	£
Ordinary shares of £1 each	<u>353,538</u>	<u>353,538</u>	<u>322,371</u>	<u>322,371</u>

Share movements

	No.	£
Ordinary		
At 1 July 2017	322,371	322,371
Issue of shares	<u>31,167</u>	<u>—</u>
At 30 June 2018	<u>353,538</u>	<u>322,371</u>

During the year 31,167 ordinary shares of £1 each were allotted, called up and fully paid by way of loan forgiveness of an equivalent balance due to the company's shareholders.

9. Related party transactions

During the year, Mr B Jahanshahi, a director, paid expenses amounting to £33,414 (2017 - £3,902) on behalf of the company. At the balance sheet date, the company owed Mr B Jahanshahi £33,414 (2017 - £3,902) in relation to these expenses. The company allotted 3,902 ordinary shares of £1 each to Mr B Jahanshahi which were fully paid by way of forgiveness of an equivalent balance due to Mr B Jahanshahi.

The company allotted 165 ordinary shares of £1 each to PRH Group Suisse S.A. which were fully paid by way of forgiveness of an equivalent balance due to PRH Group Suisse S.A.

The company allotted 27,100 ordinary shares of £1 each to Clarges Capital Advisors Limited which were fully paid by way of forgiveness of an equivalent balance due to Clarges Capital Advisors Limited.

10. Controlling party

The company is a subsidiary of PRH Group Suisse S.A., a company registered in Switzerland. The ultimate controlling party is Mr P Hofer.

Clarges Capital Limited

Management Information

Year ended 30 June 2018

The following pages do not form part of the financial statements.

Clarges Capital Limited

Detailed Income Statement

Year ended 30 June 2018

	2018	2017
	£	£
Overheads		
Distribution costs		
Marketing	439	872
Administrative expenses		
Rent	21,883	10,000
Telephone and computer expenses	2,678	2,684
Printing postage and stationery	427	168
Sundry expenses	275	43
Laundry and cleaning	1,275	1,583
Bank charges	2,430	2,763
Accountancy fees	1,165	315
FCA regulatory fees	1,190	1,176
Auditors remuneration	750	5,000
	<u>32,073</u>	<u>23,732</u>
	32,512	24,604
 Operating loss	 (32,512)	 (24,604)
 Loss before taxation	 <u>(32,512)</u>	 <u>(24,604)</u>