

Company Registration No. 05052688 (England and Wales)

**Stargate Corporate Finance Limited**

**Annual report and financial statements  
for the year ended 31 March 2017**



## **Stargate Corporate Finance Limited**

### **Company information**

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<b>Directors</b>	Stephan Gagnon Paresh Shah
<b>Company number</b>	05052688
<b>Registered office</b>	71 Queen Victoria Street London EC4V 4BE
<b>Independent auditors</b>	Saffery Champness LLP 71 Queen Victoria Street London EC4V 4BE

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## **Stargate Corporate Finance Limited**

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**Stargate Corporate Finance Limited**

**Strategic report**

**For the year ended 31 March 2017**

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The directors present the strategic report for the year ended 31 March 2017.

**Fair review of the business**

The principal activity of the company continued to be the provision of corporate financial advice and fund management. The directors hope the company will grow in the foreseeable future.

Turnover decreased by 34% to £28,463 (2016: £43,186) generating a loss of £27,358 (2016: £8,561 profit).

**Principal risks and uncertainties**

The principal risk of the company is liquidity, resulting from uncertainty regarding recoverability of inter company debt. This is explained in more detail on page 3.

The objective of the company to maintain its balance sheet and operate with minimal costs until such time as the debt is recovered.

**Key performance indicators**

The company drives business performance through setting clearly defined and measured key performance indicators taking appropriate action where required to enhance the financial results of the business.

The key areas of focus for the group are:

- 1) Year on year change in turnover.
- 2) Identifying new investment opportunities and realising current investments for the group and its clients.

While the corporate finance market has experienced a mixture of strong and weak performance, against these key performance indicators, on balance the directors believe the business' performance was reasonable.

On behalf of the board



.....  
Paresh Shah

Director

15/03/2018

## **Stargate Corporate Finance Limited**

### **Directors' report**

**For the year ended 31 March 2017**

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The directors present their annual report and financial statements for the year ended 31 March 2017.

#### **Principal activities**

The principal activity of the company continued to be the provision of corporate finance services.

The company is regulated by the Financial Conduct Authority 'FCA'.

#### **Directors**

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

Stephan Gagnon  
Paresh Shah

#### **Results and dividends**

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

The directors do not recommend payment of an ordinary dividend.

#### **Employee involvement and disabled persons**

Details of the number of employees are given in note of the financial statements. Where appropriate the company keeps all employees informed of how the company is performing. The company aims to recruit the best people for every job irrespective of any disability.

#### **Environment**

The company recognises the importance of its environmental responsibilities and seeks to minimise this impact whilst delivering a great service to its clients.

#### **Future developments**

The directors are cautious about the economic prospects for the coming year but continue to develop key contacts and opportunities. They expect the general level of activity to continue in the forthcoming year.

#### **Auditors**

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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

**Statement of disclosure to auditors**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors individually 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.

**Going concern**

The current economic environment is challenging and the company has made an operating loss for the year. The directors consider that the outlook presents challenges in terms of generating cashflows. Since the year end the company has reduced its FCA permissions and as a result the directors will be looking to redirect operations of the company and reviewing alternative income streams. In order for the company to be able to meet its financing activities it is reliant on repayment of group debt. The positive balance sheet is reliant on the debt being received from the company's parent, which is reliant on the success of realisation of EIS funds by a fellow subsidiary.

The directors acknowledge that the above circumstance may represent a material uncertainty that casts significant doubts upon the company's ability to continue as a going concern. Nevertheless after considering the uncertainties described above and the costs of running the company the directors have a reasonable expectation that the company will have adequate resources available to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis in preparing the annual report and accounts.

**Stargate Corporate Finance Limited**

**Directors' report (continued)**

**For the year ended 31 March 2017**

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On behalf of the board



.....  
Paresh Shah

**Director**

15/03/2018

## **Stargate Corporate Finance Limited**

### **Independent auditors' report**

**To the members of Stargate Corporate Finance Limited**

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We have audited the financial statements of Stargate Corporate Finance Limited for the year ended 31 March 2017 set out on pages 7 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 auditors' 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.

#### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on pages 2 - 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2017 and of its loss 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.

#### **Emphasis of matter**

In forming our opinion, we have considered the adequacy of the disclosures made in note 1.2 of the financial statements concerning the company's ability to meet its future financing needs. In view of the significance of this uncertainty we consider that it should be drawn to your attention but our opinion is not qualified in this respect.



**Stargate Corporate Finance Limited**

**Independent auditors' report (continued)**

**To the members of Stargate Corporate Finance Limited**

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**Opinion 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.



Lucy Brennan (Senior Statutory Auditor)  
for and on behalf of Saffery Champness LLP

15 March 2018

**Chartered Accountants  
Statutory Auditors**

71 Queen Victoria Street  
London  
EC4V 4BE

**Stargate Corporate Finance Limited**

**Statement of comprehensive income  
For the year ended 31 March 2017**

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		<b>2017</b>	<b>2016</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
<b>Turnover</b>	<b>3</b>	28,463	43,186
Administrative expenses		(55,821)	(34,625)
		<hr/>	<hr/>
<b>(Loss)/profit before taxation</b>		(27,358)	8,561
 Tax on loss/profit	 <b>4</b>	 -	 -
		<hr/>	<hr/>
<b>(Loss)/profit for the financial year</b>		(27,358)	8,561
		<hr/> <hr/>	<hr/> <hr/>

The Income Statement has been prepared on the basis that all operations are continuing operations.

**Stargate Corporate Finance Limited**

**Statement of financial position  
As at 31 March 2017**

			2017		2016
	Notes	£	£	£	£
<b>Current assets</b>					
Debtors	6	74,262		99,095	
Cash at bank and in hand		71		260	
		<u>74,333</u>		<u>99,355</u>	
<b>Creditors: amounts falling due within one year</b>	7	<u>(5,277)</u>		<u>(2,941)</u>	
<b>Net current assets</b>			<u>69,056</u>		<u>96,414</u>
<b>Capital and reserves</b>					
Called up share capital	8		50,000		50,000
Profit and loss reserves			<u>19,056</u>		<u>46,414</u>
<b>Total equity</b>			<u>69,056</u>		<u>96,414</u>

The financial statements were approved by the board of directors and authorised for issue on 15/03/2018 and are signed on its behalf by:



.....  
Paresh Shah  
Director

**Company Registration No. 05052688**

**Stargate Corporate Finance Limited**

**Statement of changes in equity  
For the year ended 31 March 2017**

	<b>Share capital</b>	<b>Profit and loss reserves</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Balance at 1 April 2015</b>	50,000	37,853	87,853
<b>Year ended 31 March 2016:</b>			
Profit and total comprehensive income for the year	-	8,561	8,561
<b>Balance at 31 March 2016</b>	50,000	46,414	96,414
<b>Year ended 31 March 2017:</b>			
Loss and total comprehensive income for the year	-	(27,358)	(27,358)
<b>Balance at 31 March 2017</b>	50,000	19,056	69,056

**1 Accounting policies**

**Company information**

Stargate Corporate Finance Limited is a private company limited by shares incorporated in England and Wales. The registered office is 71 Queen Victoria Street, London, EC4V 4BE.

**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**

The directors acknowledge that the combination of circumstances, described in the Directors' report on page 3, may represent a material uncertainty that casts significant doubts upon the company's ability to continue as a going concern. Nevertheless after considering the uncertainties described above the directors have a reasonable expectation that the the company will have adequate resources available to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis in preparing the annual report and accounts.

**1.3 Turnover**

Turnover represents amounts receivable for services net of VAT. Fees which are contingent upon succesful completion of transactions are not recognised until succesful completion of those transactions.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

**1 Accounting policies (continued)**

**1.4 Cash at bank and in hand**

Cash at bank and in hand 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.

**1.5 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.

***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.

**1 Accounting policies (continued)**

***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 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 Accounting policies (continued)**

**1.6 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.

**1.7 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.

**1.8 Taxation**

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

**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.

**Critical judgements**

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

***Going concern***

The accounts should be prepared on a going concern basis. The economic environment is challenging and future cashflows and resources are reliant on the success of current projects. See note 1.2 in respect of these balances.



**Stargate Corporate Finance Limited**

**Notes to the financial statements (continued)**

**For the year ended 31 March 2017**

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**2 Critical accounting judgements and key sources of estimation uncertainty (continued)**

**Key sources of estimation uncertainty**

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

***Debt recoverability***

An element of trade debtors is overdue for payment. A bad debt provision has been included in the accounts, however this is based on the majority of the year end balance being recoverable, which the Directors believe it to be.

**3 Turnover and other revenue**

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

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<b>Turnover analysed by class of business</b>		
Appointed representative fees	24,500	39,000
Fundraising fees	2,918	2,346
Recharge income	1,045	1,840
	<u>28,463</u>	<u>43,186</u>
	<u>28,463</u>	<u>43,186</u>
	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<b>Turnover analysed by geographical market</b>		
United Kingdom	28,463	43,186
	<u>28,463</u>	<u>43,186</u>

**4 Taxation**

**Stargate Corporate Finance Limited****Notes to the financial statements (continued)**  
**For the year ended 31 March 2017****4 Taxation (continued)**

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

	2017 £	2016 £
(Loss)/profit before taxation	(27,358)	8,561
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 20.00% (2016: 20.00%)	(5,472)	1,712
Tax effect of utilisation of tax losses not previously recognised	5,472	(1,712)
Taxation charge for the year	-	-

The company has estimated losses of £28,000 (2016 Nil) available for carry forward against future trading profits

**5 Financial instruments**

	2017 £	2016 £
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	74,262	99,095
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	1,680	991

**6 Debtors**

	2017 £	2016 £
<b>Amounts falling due within one year:</b>		
Trade debtors	1,000	22,443
Amounts owed by group undertakings	73,262	76,652
	74,262	99,095

**Stargate Corporate Finance Limited**

**Notes to the financial statements (continued)**

**For the year ended 31 March 2017**

**7 Creditors: amounts falling due within one year**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Trade creditors	1,620	631
Other taxation and social security	3,597	1,950
Accruals and deferred income	60	360
	<u>5,277</u>	<u>2,941</u>

**8 Share capital**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
50,000 Ordinary of £1 each	50,000	50,000
	<u>50,000</u>	<u>50,000</u>

**9 Employees**

There were no employees during the year apart from the directors.

**10 Controlling party**

The company's immediate parent company is Stargate Capital Investment Group Limited.

The company's results are included in the consolidated results of Stargate Capital investment Group Limited, copies of whose accounts may be obtained from the company's registered office, 71 Queen Victoria Street, London EC4V 4BE.

**11 Related party transactions**

The company has taken advantage of the exemption in FRS102 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.

**Stargate Corporate Finance Limited**

**Notes to the financial statements (continued)**  
**For the year ended 31 March 2017**

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**12 Cash generated from operations**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
(Loss)/profit for the year after tax	(27,358)	8,561
<b>Movements in working capital:</b>		
Decrease/(increase) in debtors	24,833	(10,800)
Increase in creditors	2,336	2,438
	<hr/>	<hr/>
<b>Cash (absorbed by)/generated from operations</b>	<b>(189)</b>	<b>199</b>
	<hr/>	<hr/>