Group Annual Report and Financial Statements
for the period ended 31 December 2017

for

FIRST SENTINEL PLC

First Sentinel Plc

Contents

For the period ended 31 December 2017

First Sentinel Plc

Company Information

For the period ended 31 December 2017

Directors:	Brian Stockbridge (CEO) Aimee Ayn Freeding (Executive Director) Mathew Rice (Independent non-executive Director) Shane Young Perry (Non-executive Director) Thomas Bryce Dignall (Non-executive Director) Colin Neil Maltby (Executive Director)
Secretary:	First Sentinel Law Limited
Registered number:	10183367 (England & Wales)
Registered office:	55 Park Lane, Suite 12a, London, England, W1K 1NA
Auditors:	MAH Chartered Accountants 154 Bishopsgate, 2nd Floor, London EC2M 4LN
Nominated Solicitors:	DAC Beachcroft LLP 100 Fetter Lane London EC4A 1BN
Website Address:	www.first-sentinel.com

First Sentinel Plc

Chairman's Statement

For the period ended 31 December 2017

I am delighted to present the results for First Sentinel plc, for the 15 months ended 31 December 2017. The Company has raised £1.5m during the period and has completed a major acquisition of Perennial Enterprise Pty Limited in Australia. The Company also raised another £1.5m shortly after the period end through the issue of a bond listed on NEX Exchange. The proceeds of the £1.4m placing has been used to assist the Company in the implementation of its investment strategy where the Company provides growth capital (equity, mezzanine debt and senior debt) for public and private company investments across a number of different market sectors. The loss of £192,000 for the period includes the professional costs of listing the Company on NEX Exchange.

The appointment of additional board members will be made to assist us in our investment strategy and we remain focused on creating long-term sustainable value for our shareholders.

Investments
The Company made eight investments during the period and exited fully and profitably on three.

Outlook

The fifteen months to 31 December 2017 has been a very successful period for First Sentinel. The success of the fund raising, the acquisition of Perennial Enterprise PTY Ltd, the investments made by the Company, and the appointment of new experienced directors have positioned First Sentinel Plc very well for the next stage of its development. Our short-term strategy remains at increasing value by providing growth capital for public and private company investments. Whilst the Company still needs to increase its scale, with the acquisition of Perennial and the successful issue of the First Sentinel Plc NEX Exchange listed bond, I am very optimistic about the Company's growth potential and we look to the future with significant confidence.

Brian Stockbridge
29 May 2018

First Sentinel Plc

Strategic Report

For the period ended 31 December 2017

Principal activity and fair review of the business

First Sentinel Plc ("First Sentinel" and "Company") is an alternative investment company, registered with the FCA as a small authorised UK AIFM, which provides growth capital for public and private company investments. First Sentinel invests in a range of debt and equity instruments in target portfolio companies.

First Sentinel invests directly into portfolio companies or via other corporate investment vehicles and the focus is on investing via unsecured and secured debt instruments, with any such security intended to provide some down-side protection in relation to those investments to which it applies, as well as via equity. First Sentinel prices the financial terms of its investments to offer attractive returns to First Sentinel and therefore, indirectly, to its shareholders. Where possible, First Sentinel intends to capture equity upside through warrants, royalty-like instruments and various other performance-related mechanisms in the target portfolio companies.

First Sentinel was incorporated and registered in England and Wales under the Companies Act 2006 on 17 May 2016 as a private limited company with the name First Sentinel Limited with registered number 10183367. On 16 March 2017, the Company re-registered as a public limited company with the name First Sentinel PLC.

Key Performance Indicators

	Year to 31 December 2017	**Year to 30 September 2016**
	£'000	**£'000**
Revenue	**156**	**-**
Loss for the period	**192**	**12**
Cash as at 31 December 2017	**297**	**3**

The board recognises the importance of KPIs in driving appropriate behaviour and enabling of Group performance.

During the year to 31 December 2017 the company has achieved a number of key objectives which continue to build shareholder value. These include:-

- Making eight equity and structured debt investments into corporates
- Exiting profitably on three investments
- Acquiring an 80% interest in Perennial Enterprise PTY Ltd. in Australia
- Raising further equity of approximately £800k

First Sentinel Plc

Strategic Report

For the period ended 31 December 2017

Principal risks and uncertainties

The company has invested primarily in structured debt and equity instruments to provide growth capital for portfolio companies and returns to Company shareholders. As at 31 December 2017 it held five investments and had invested and exited profitably on a further three. The Company needs to continue to raise funds in order to remove the risk of being sub scale and delays in this fundraising process may have an impact on the performance of the company's portfolio and cash flows. The longer the period of delay, the greater the likelihood that the company's results of operations will be materially adversely affected. To the extent that there is a delay in raising funds and investing the net proceeds of these fundraising activities, The Company's aggregate return on investments will be reduced and there will not be sufficient distributable reserves to pay dividends to shareholders. Furthermore, there can be no assurance that the board will be successful in implementing the Company's investment objective.

The company will be dependent upon the Board's successful implementation of the company's investment policy and its investment strategies, and ultimately on its ability to create an investment portfolio capable of generating attractive returns. This implementation in turn will be subject to a number of factors, including market conditions and the timing of investments related to market cycles. Many of which are beyond the control of the company and difficult to predict. There can be no assurance that the company will be successful in sourcing suitable growth capital investments.

Financial and Capital Risk Management
The directors constantly monitor the financial risks and uncertainties facing the group with particular reference to the exposure of credit risk and liquidity risk. They are confident that suitable policies are in place and that all material financial risks have been considered. The financial risk management objectives and policies can be found within note 24 of the financial statements.

The Board's objective is to maintain a balance sheet that is both efficient and delivers long term shareholder value. The Group had cash balances of £297,000 at 31 December 2017 and had short-term borrowings of £558,000. The Board continues to monitor the balance sheet to ensure it has an adequate capital structure.

Dividends
No dividends can be distributed for the period ended 31 December 2017.

Future Developments
First Sentinel intends to continue to invest in attractive structured debt and equity investments, to expand the invoice purchasing activities of its subsidiary, Perennial and to issue a listed bond on NEX Exchange growth market. Operating costs will be maintained at the minimum level consistent with the Company's status as a publicly quoted company.

ON BEHALF OF THE BOARD

Brian Stockbridge
CEO/Director
29 May 2018

First Sentinel Plc

Directors' Report

For the year ended 31 December 2017

The Directors present their report and the audited financial statements for the period ended 31 December 2017.

Results and dividends
The trading results and the Company's financial position at the end of the period are shown in the attached financial statements.

The Directors have not recommended a dividend.

Directors
The following directors have held office:

Brian Stockbridge
Aimee Ayn Freeding (Appointed 15 March 2017)
Matthew Rice (Appointed 15 March 2017)
Shane Young Perry (Appointed 1 December 2017)
Thomas Bryce Dignall (Appointed 15 March 2017)
Colin Neil Maltby (Appointed 21 March 2018)

Directors' Remuneration
The directors are entitled to receive relevant fees, as detailed in the directors' remuneration in Note 5.

Directors and their interests
The directors of the group held the following beneficial interests in the shares and warrants of First Sentinel Plc as at 2 May 2018:

	Issued Share Capital		Warrants	
	Ordinary shares of £0.01 each	Percentage Held	Shareholder Warrants Held	Management Warrants* Held
B Stockbridge	514,947	3.50%	514,947	10%
A Freeding	514,947	3.50%	514,947	10%
S Perry	707,937	4.82%	Nil	4%
T Dignall	272,727	1.86%	Nil	5%
M Rice	Nil	Nil	Nil	5%
C Maltby	Nil	Nil	Nil	10%

* percentage of the issued share capital at time of exercise

First Sentinel Plc

Directors' Report

For the year ended 31 December 2017

Substantial Shareholdings
Substantial shareholdings greater than 3% as at 2 May 2018 were as follows:

	Issued Share Capital	
	Ordinary shares of £0.01 each	Percentage Held
B Stockbridge	514,947	3.50%
A Freeding	514,947	3.50%
S Perry	707,937	4.82%
A Easdale	2,000,000	13.61%
J Easdale	2,000,000	13.61%
Reyker Nominees Ltd	5,279,869	35.93%
J Shields	454,545	3.09%
M Nanji	454,545	3.09%

Financial risk and management of capital

The major balances and financial risks to which the company is exposed to and the controls in place to minimise those risks are disclosed.

A description of how the company manages its capital is also disclosed in note 24.

The Board considers and reviews these risks on strategic and day to day basis in order to minimise any potential exposure.

Strategic Report
In accordance with section 414C(11) of the companies Act 2006 the company chooses to report the review of the business, the future outlook and the risks and uncertainties faced by the company in the Strategic Report.

A review of the business of the Group, together with comments on future developments is also given in the Chairman's Statement on page 2.

Financial Instruments

The company has not entered into any financial instruments during the period to hedge against interest rate or exchange rate risk.

Events After The Reporting Period
Refer to note 26 to the financial statements for further details.

Publication Of Accounts On Group Website
Financial statements are published on the group's website. The maintenance and integrity of the website is the responsibility of the directors. The directors' responsibilities also extend to the financial statements contained therein.

First Sentinel Plc

Directors’ Report

For the year ended 31 December 2017

Going Concern
The Directors, having made appropriate enquiries, consider that the Company and the Group as a whole have adequate resources to continue in operational existence for the foreseeable future. Therefore, they continue to adopt the going concern basis in preparing the financial statements.

Auditors
MAH, Chartered Accountants have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

Statement of directors' responsibilities
The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare Company and parent financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the European Union. 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 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 they have been prepared in accordance with IFRS as adopted by the European Union
- 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. 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.

Each of the directors confirms that, to the best of their knowledge, the Group financial statements, which have been prepared in accordance with IFRSs as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and loss of the Group; and the Annual Report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties that it faces.

First Sentinel Plc

Directors' Report

For the year ended 31 December 2017

Statement of disclosure to auditors

Each person who is a Director at the date of approval of this Annual Report confirms that:

- So far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware; and
- each Director has taken all the steps that he ought to have taken as Director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

ON BEHALF OF THE BOARD

Brian Stockbridge

29 May 2018

Independent Auditor's Report to the Members of

First Sentinel Plc

For the period ended 31 December 2017

Opinion

We have audited the financial statements of First Sentinel Plc for the period ended 31 December 2017 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows, Company Statement of Financial Position, Company Statement of Changes in Equity, Company 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as regards to the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

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.

In our opinion:

- the financial statements give a true and fair view of the state of the group and company's affairs as at 31 December 2017 and of the group's loss and group's and parent company's cash flows for the period then ended;
- the group and parent company financial statements have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and Article 4 of the IAS Regulation.

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 as applied to listed entities, 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.

Independent Auditor's Report to the Members of

First Sentinel Plc

For the period ended 31 December 2017

Key audit matters
Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assess risks of material misstatement (whether or due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter - Group	**Our audit work included, but was not restricted to:**
Accounting treatment and valuation of the acquisition of Perennial Enterprises Pty Ltd: - Fair value of consideration, including a share for share exchange - Fair value of acquiree's assets and liabilities - Goodwill upon acquisition	We reviewed the sale and purchase agreements and ensured that consideration was correctly valued and that the acquisition was correctly accounted for, in accordance with IFRS 3. We also checked the significant items in the acquisition balance sheet, especially factoring debtors, borrowings and the fair value of assets/liabilities and checked for unrecognised items in accordance with IFRS 3. We reviewed goodwill for any impairment, considered cashflow forecasts and investigated the treatment of the non-controlling interest.
Valuation and recoverability of financial assets	We checked equity securities to 3rd party documentation and ensured that the fair value basis of measurement was used based on market prices at the period end. We reviewed secured loan note agreements, checked the accrued interest calculations and checked post period end loan repayments. We also reviewed for any other indicators of impairment.
Valuation and recoverability of factoring debtors	The component auditors performed substantive tests of detail and checked a sample to supporting documentation and reviewed after date cash collected and reviewed for any bad debts or other impairments. We reviewed their audit work.

Independent Auditor's Report to the Members of

First Sentinel Plc

For the period ended 31 December 2017

Our application of materiality
Materiality for the group was set at £24,000 and for the company it was set at £23,500.

This has been calculated based on a combination of 10% of the loss before taxation for the period, 3% of turnover and 2% of gross assets, which we have determined, in our professional judgement to be the principal benchmarks within the financial statements relevant to members of the Company in assessing financial performance of the Group and Company.

We report to the Directors all corrected and uncorrected misstatements we identified through our audit with a value in excess of £2,400 for the group and £2,350 for the company, in addition to other audit misstatements below that threshold that we believe warranted reporting on qualitative grounds.

An overview of the scope of our audit
We tailored the scope of our audit to ensure that we were able to give our audit opinion on the financial statements of First Sentinel Plc taking into account the nature of the Group's activities, the Group's risk profile, the accounting processes and controls, and the environment in which the Group operates.

We designed our audit to ensure that we obtain sufficient and appropriate audit evidence in respect of:

- The significant transactions and balances;
- Other items, which, irrespective of size, are perceived as carrying a significant level of audit risk whether through susceptibility to fraud, or other reasons;
- The appropriateness of the going concern assumption used in the preparation of the financial statements.

We performed a full scope audit of the two companies domiciled in the UK: First Sentinel Plc and First Sentinel Perennial Limited. A separate firm of auditors performed a full scope audit of the Australian subsidiary, Perennial Enterprises Pty Ltd, according to our group audit instructions and we reviewed their full audit file and communicated with them in accordance with ISA 600.

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.

Independent Auditor's Report to the Members of

First Sentinel Plc

For the period ended 31 December 2017

Opinion 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 period 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 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 the directors

As explained more fully in the directors' responsibilities statement set out on pages 5 to 8, the directors are responsible for the preparation of group's and parent's 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 director either intends to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Independent Auditor’s Report to the Members of

First Sentinel Plc

For the period ended 31 December 2017

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:

https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi

This description forms part of our auditor's report.

Mohammed Haque
Senior Statutory Auditor

For and on behalf of
MAH Chartered Accountants
Statutory Auditors
154 Bishopsgate
London
EC2M 4LN

Date: 29 May 2018

First Sentinel Plc

Consolidated Statement of Comprehensive Income

For the period ended 31 December 2017

	Notes	Period ended 31 December 2017 £'000	Period ended 30 September 2016 £'000
Revenue	4	156	-
Cost of sales		(22)	-
Gross profit		134	-
Administrative expenses	7	(237)	(12)
Other losses	6	(9)	-
Operating loss		(112)	(12)
Finance costs	6	(5)	-
Admission expenses	7	(65)	-
Loss before tax		(182)	(12)
Tax	8	(10)	-
Loss for the period		(192)	(12)
Other comprehensive income		-	-
Total comprehensive loss for the period		(192)	(12)
Loss and total comprehensive loss attributable to:			
- Owners of the company		(199)	(12)
- Non-controlling interests		7	-
		(192)	(12)
Loss per share attributable to the owners of the company:			
Basic & Diluted loss per share - pence	9	(2.75)p	(120)p

The notes on pages 23 to 51 form part of these financial statements

First Sentinel Plc

Consolidated Statement of Financial Position

For the period ended 31 December 2017

	Notes	As at 31 December 2017 £'000	As at 30 September 2016 £'000
ASSETS			
Non-current assets			
Intangibles	**11**	145	-
Property, plant & equipment	**12**	27	-
		172	-
CURRENT ASSETS			
Trade and other receivables	**15**	784	3
Other financial assets	**14**	1,119	-
Cash and cash equivalents	**16**	297	3
		2,200	6
TOTAL ASSETS		2,372	6
EQUITY			
Shareholders' Equity			
Called up share capital	**17**	142	-
Share premium	**17**	1,310	-
Share based payment reserve	**22**	13	-
Accumulated deficit		(211)	(12)
Non-controlling interest		10	-
Total Equity		1,264	(12)
LIABILITIES			
Current liabilities			
Trade and other payables	**18**	393	18
Financial liabilities	**19**	558	-
		951	18
Non - current liabilities			
Financial liabilities	**19**	157	-
TOTAL LIABILITIES		1,108	18
TOTAL EQUITY AND LIABILITIES		2,372	6

These financial statements were approved and authorised for issue by the Board of Directors on 29 May 2018 and were signed on its behalf by:

Brian Stockbridge
Director **Company Registration no. 10183367**

The notes on pages 23 to 51 form part of these financial statements

First Sentinel Plc

Consolidated Statement of Changes in Equity

For the period ended 31 December 2017

	Called up Share capital £'000	Accumulated deficit £'000	Share Premium £'000	Share based payment Reserve £'000	Non Controlling interest £'000	Total equity £'000
Balance at 17 May 2016	-	-	-	-	-	-
Loss for the period	-	(12)	-		-	(12)
Balance at 30 September 2016	-	(12)	-	-	-	(12)
Loss for the period	-	(199)	-	-	7	(192)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	-	(199)	-	-	7	(192)
Issues of shares during the period	142	-	1,310	-	-	1,452
Non controlling Interest share of net assets on acquisition	-	-	-		3	3
Grant of share options & warrants	-	-	-	13	-	13
Balance at 31 December 2017	142	(211)	1,310	13	10	1,264

Share capital is the amount subscribed for shares at nominal value. Share premium represents amounts subscribed for share capital in excess of nominal value, net of expenses.

Accumulated deficit represents the cumulative losses of the group attributable to the owners of the company. Share based payment reserve represents the cumulative amounts charged in respect of unsettled warrants and options issued.

The notes on pages 23 to 51 form part of these financial statements

First Sentinel Plc

Consolidated Statement of Cash Flows

For the period ended 31 December 2017

	Notes	Period ended 31 December 2017 £'000	Period ended 30 September 2016 £'000
Cash flows from operating activities			
Cash (utilised) / generated by operations	**1**	(177)	3
Interest paid		(5)	-
Net cash outflow from operating activities		(182)	3
Cash flows from investing activities			
Purchases of financial assets		(1,119)	-
Acquisition of subsidiary		(122)	-
Cash acquired on acquisition of subsidiary		275	
Net cash outflow from investing activities		(966)	-
Cash flows from financing activities			
Share issues		1,451	-
Repayment of loans		(9)	
Net cash inflow from financing activities		1,442	-
Increase/(decrease) in cash and equivalents		294	3
Cash and cash equivalents at beginning of period		3	-
Cash and cash equivalents at end of period		297	3

Non-cash transactions
Refer to Note 11 for details of non-cash transactions in relation to business combinations in the period.

The notes on pages 23 to 51 form part of these financial statements

First Sentinel Plc

Notes to the Consolidated Statement of Cash Flows

For the period ended 31 December 2017

1. Reconciliation of loss before income tax to cash outflow from operations

	Period ended 31 December 2017 £'000	Period ended 30 September 2016 £'000
Operating loss	(112)	(12)
Increase in trade and other receivables	(240)	(3)
Increase in trade and other payables	215	18
Other adjustments	14	-
Share based payments	11	-
Admission expenses	(65)	-
Net cash outflow from operations	(177)	3

2. Cash and Cash Equivalents

	Period ended 31 December 2017 £'000	Period ended 30 September 2016 £'000
Cash and cash equivalents	297	3

The notes on pages 23 to 51 form part of these financial statements

First Sentinel Plc

Company Statement of Financial Position

As at 31 December 2017

	Notes	As at 31 December 2017 £'000	As at 30 September 2016 £'000
ASSETS			
Non-current assets			
Investments	**13**	122	-
		122	-
CURRENT ASSETS			
Trade and other receivables	**15**	126	3
Other financial assets	**14**	1,010	-
Cash and cash equivalents	**16**	75	3
		1,211	6
TOTAL ASSETS		1,333	6
EQUITY			
Shareholders' Equity			
Called up share capital	**17**	142	-
Share Premium	**17**	1,310	-
Share Based payment reserve	**22**	13	
Accumulated deficit		(226)	(12)
Total Equity		1,239	(12)
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	**18**	94	18
TOTAL LIABILITIES		94	18
TOTAL EQUITY AND LIABILITIES		1,333	6

These financial statements were approved and authorised for issue by the Board of Directors on 29 May 2018 and were signed on its behalf by:

Brian Stockbridge
Director
Company Registration no. 10183367

The notes on pages 23 to 51 form part of these financial statements

First Sentinel Plc

Company Statement of Changes in Equity

For the period ended 31 December 2017

	Called up Share capital £'000	Accumulated deficit £'000	Share Premium £'000	Share based payment Reserve £'000	Total equity £'000
Balance at 17 May 2016	-	-	-	-	-
Loss for the period	-	(12)	-	-	(12)
Balance at 30 September 2016	-	(12)	-	-	(12)
Loss for the period	-	(214)	-	-	(214)
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	(214)	-	-	(214)
Issues of shares during the period	142	-	1,310	-	1,452
Grant of share options and warrants	-	-	-	13	13
Balance at 31 December 2017	142	(226)	1,310	13	1,239

Share capital is the amount subscribed for shares at nominal value. Share premium represents amounts subscribed for share capital in excess of nominal value, net of expenses.

Accumulated deficit represents the cumulative losses of the company attributable to the owners of the company.

Share based payment reserve represents the cumulative amounts charged in respect of unsettled warrants and options issued.

The notes on pages 23 to 51 form part of these financial statements

First Sentinel Plc

Company Statement of Cash Flows

For the period ended 31 December 2017

	Notes	Period ended 31 December 2017 £'000	Period ended 31 September 2016 £'000
Cash flows from operating activities			
Cash utilised by operations	**1**	(242)	3
Interest paid		(5)	-
Net cash outflow from operating activities		(247)	3
Cash flows from investing activities			
Investment in subsidiaries		(122)	-
Purchases of financial assets		(1,010)	
Net cash outflow from investing activities		(1,132)	-
Cash flows from financing activities			
Share issues		1,451	-
Net cash inflow from financing activities		1,451	-
Increase in cash and equivalents		72	3
Cash and cash equivalents at beginning of period		3	-
Cash and cash equivalents at end of period	**14**	75	3

Refer to Note 11 for details of non-cash transactions in relation to business combinations in the period.

The notes on pages 23 to 51 form part of these financial statements

First Sentinel Plc

Notes to the Company Statement of Cash Flows

For the period ended 31 December 2017

1. Reconciliation of loss before income tax to cash generated from operations

	Period ended 30 December 2017 £'000	Period ended 31 September 2016 £'000
Operating Profit/(loss)	(209)	(12)
(Increase)/decrease in trade and other receivables	(123)	(3)
(Decrease)/increase in trade and other payables	77	18
Share Option expense	11	-
Other adjustments	2	-
Profit on disposal		-
Net cash outflow from operations	(242)	3

2. Cash and Cash Equivalents

	As at 31 December 2017 £'000	As at 30 November 2016 £'000
Cash and cash equivalents	75	3

The notes on pages 23 to 51 form part of these financial statements

First Sentinel Plc

Notes to the Financial Statements

For the period ended 31 December 2017

1. General Information

First Sentinel Plc (the "Company") is a public limited company incorporated and domiciled in England and Wales. Details of the registered office, the officers and advisers to the company are presented on the company information page at the start of this report. The Company is listed on the NEX Growth market.

The principal activities of the Group were that of making investments and invoice purchasing.

The consolidated financial statements comprised of the Company and its subsidiaries (together referred to as "the Group") as at and for the 15 month period to 31 December 2017. The reporting date was extended to align the period end with the calendar year end. The amounts presented in the financial statements for the prior period from 17 May 2016 to 30 September are not entirely comparable. The parent Company financial statements present information about the Company as a separate entity and not about its Group.

2. Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the period presented unless otherwise stated.

Statement of compliance

The consolidated financial statements of First Sentinel Plc have been prepared in accordance with International Financial Reporting Standards (IFRSs), International Accounting Standards (IASs) and International Financial Reporting Interpretations Committee (IFRIC) interpretations (collectively 'IFRSs') as adopted for use in the European Union and as issued by the International Accounting Standards Board and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

Basis of preparation

The financial statements have been prepared under the historical cost convention.

The principal accounting policies are summarised below. They have all been applied consistently throughout the period under review.

Going concern

The financial statements have been prepared on the assumption that the company is a going concern. When assessing the foreseeable future, the directors have looked at the budget for the next 12 months from the date of this report, the cash at bank available as at the date of approval of this report and are satisfied that the group should be able to cover its operational costs, quoted maintenance costs and other administrative expenses.

After making enquiries, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt a going concern basis in preparing the annual report and financial statements.

2. Accounting Policies (continued…)

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and entities controlled by the company (its subsidiaries) made up to 31st December each year. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the period are included in the consolidated statement of comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Changes in the group’s ownership interests in subsidiaries that do not result in the group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the group’s interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the company.

When the group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Where certain assets of the subsidiary are measured at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the company had directly disposed of the related assets (i.e. reclassified to profit or loss or transferred directly to retained earnings). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39 “Financial Instruments: Recognition and Measurement” or, when applicable, the cost on initial recognition of an investment in an associate or a jointly controlled entity.

2. Accounting Policies (continued…)

Business combinations (continued)

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the group, liabilities incurred by the group to the former owners of the acquiree and the equity interests issued by the group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively;

- liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement of an acquiree's share-based payment transactions with share-based payment transactions of the group are measured in accordance with IFRS 2 Share-based Payment at the acquisition date; and

- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.

New and amended standards adopted by the group

There are no IFRSs or IFRIC interpretations that are effective for the first time in this financial period that would be expected to have a material impact on the group.

New Standards, amendments and interpretations issued but not effective

Reference	Title	Summary	Application date of standard	Application date of Company
IAS 7	Statement of Cash Flows	Amendment on disclosure initiative	Periods commencing on or after 1 January 2017	1 January 2018
IAS 12	Income taxes	Amendment on recognition of deferred tax assets for unrealised losses	Periods commencing on or after 1 January 2017	1 January 2018
IFRS 2	Share based payments	Amendment on clarifying share based payment transactions	Periods commencing on or after 1 January 2018	1 January 2018

2. Accounting Policies (continued…)

New Standards, amendments and interpretations issued but not effective (continued…)

Reference	Title	Summary	Application date of standard	Application date of Company
IFRS 9	Financial Instruments	Revised standard for accounting for financial instruments	Periods commencing on or after 1 January 2018	1 January 2018
IFRS 10	Consolidated financial statement	Amended by Investment Entities: Applying the Consolidation Exception	Periods commencing on or after 1 January 2017	1 January 2018
IFRS 11	Joint Arrangements	Amended by Accounting for Acquisitions of Interests in Joint Operations	Periods commencing on or after 1 January 2017	1 January 2018
IFRS 12	Disclosure of Interests in Other Entities	Amended by Investment Entities: Applying the Consolidation Exception	Periods commencing on or after 1 January 2017	1 January 2018
IFRS 14	Regulatory deferral accounts	Aims to enhance the comparability of financial reporting by entities subject to rate-regulations	Periods commencing on or after 1 January 2017	1 January 2018
IFRS 15	Revenue from contracts with customers	Specifies how and when to recognise revenue from contracts as well as requiring more informative and relevant disclosures	Periods commencing on or after 1 January 2018	1 January 2018
IFRS 16	Lease	IFRS 16 *Leases* published	Periods commencing on or after 1 January 2019	1 January 2019
IAS 16	Property, Plant and Equipment	Amended standard for accounting treatment for property, plant and equipment	Periods commencing on or after 1 January 2017	1 January 2018
IAS 27	Separate financial statement	Amended by Equity Method in Separate Financial Statements (Amendments to IAS 27)	Periods commencing on or after 1 January 2017	1 January 2018
IAS 28	Investments in Associates and Joint Ventures	Amended by Investment Entities: Applying the Consolidation Exception	Periods commencing on or after 1 January 2017	1 January 2018

2. Accounting Policies (continued…)

New Standards, amendments and interpretations issued but not effective (continued)

The Directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material impact on the financial statements of the group. The group does not intend to apply any of these pronouncements early.

Revenue recognition

Revenue represents income from invoice purchasing, commissions and arrangement fees on making investments and loans.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of the consideration received or receivable, excluding discounts, rebates and sales taxes or duty. For invoice purchasing, revenue is recognised upon receipt of the full invoice amount. Other revenue is recognised on an accruals basis when the Group is entitled to it.

Foreign currency

The functional currency of the Group is Sterling Pound (£) apart from its subsidiary Perennial Enterprises Pty Ltd which is in Australian Dollars (AUD). The presentational currency of the Group is £ because a significant amount of its transactions is in £.

Transactions entered by the Group's entities in a currency other than the reporting currency are recorded at the rates ruling when the transaction occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the statement of financial position date. Exchange differences arising on the re-translation of outstanding monetary assets and liabilities are also recognised in the income statement.

Taxation

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

(i) Current tax

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules using tax rates enacted or substantially enacted by the statement of financial position date.

Tax is recognised in the income statement or in equity if it relates to items that are recognised in the same or a different period, directly in equity.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities.

2. Accounting Policies (continued…)

(ii) Deferred tax

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the statement of financial position differs from its tax base, except for differences arising on:

- the initial recognition of goodwill;
- the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting or taxable profit; and
- investments in subsidiaries where the Group is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised.

The amount of the asset or liability is determined using tax rates that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the deferred tax liabilities or assets are settled or recovered. Deferred tax balances are not discounted.

Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the steering committee that makes strategic decisions. The company's primary reporting format is determined by the geographical segment according to the location of its establishments.

Investments

Investments in subsidiaries are held at cost less any impairment.

Financial instruments

Financial assets and financial liabilities are recognised when the group becomes a party to the contractual provisions of the instrument. On initial recognition, financial assets are classified as either financial assets at fair value through income statement, held-to-maturity investments, loans and receivables financial assets, or available-for-sale financial assets, as appropriate.

Trade and other receivables

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to the initial recognition, trade and receivables and measured at amortised cost less impairment losses for bad and doubtful debts, except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less impairment losses for bad and doubtful debts.

Impairment losses for bad and doubtful debts are measured as the difference between the carrying amount of financial asset and the estimated future cash flows, discounted where the effect of discounting is material.

2. Accounting Policies (continued…)

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets:

• acquired principally for the purpose of selling in the near future
• designated by the entity to be carried at fair value through profit or loss upon initial recognition
• which are derivatives not qualifying for hedge accounting.

Assets included within this category are carried in the statement of financial position at fair value with changes in fair value recognised in finance income or expenses in profit or loss.

Any gain or loss arising from derivative financial instruments is based on changes in fair value, which is determined by direct reference to active market transactions or using a valuation technique where no active market exists.

Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Fair values

The carrying amounts of the financial assets and liabilities such as cash and cash equivalents, receivables and payables of the company at the statement of financial position date approximated their fair values, due to the relatively short term nature of these financial instruments.

Trade and other payables

Trade and other payables are initially recognised at fair value and thereafter stated in amortised cost, except where the payables are interest free loans made by related parties without any fixed repayment terms or the effect of discounting would be immaterial, in which case they are stated at cost.

Impairment of financial assets

At the end of the reporting period the Group assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Impairment of non-financial assets

At each statement of financial position date, the group reviews the carrying amounts of its investments 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 the asset does not generate cash flows that are independent from other assets, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs. An intangible asset with an indefinite useful life is tested for impairment annually and whenever there is an indication that the asset may be impaired.

2. Accounting Policies (continued…)

Impairment of non-financial assets (continued…)
Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a re-valued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Employee benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cash flows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cash flows. Changes in the measurement of the liability are recognised in profit or loss.

Capital management
Capital is made up of stated capital, premium and retained earnings. The objective of the group's capital management is to ensure that it maintains strong credit ratings and capital ratios. This will ensure that the business is correctly supported and shareholder value is maximised.

The group manages its capital structure through adjustments that are dependent on economic conditions. In order to maintain or adjust the capital structure, the company may choose to change or amend dividend payments to shareholders or issue new share capital to shareholders. There were no changes to the objectives, policies or processes during the period ended 31 December 2017.

2. Accounting Policies (continued…)

Equity instruments
Equity instruments issued by the company are recorded at the proceeds received. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against share capital.

Share-based compensation
The fair value of the employee and suppliers services received in exchange for the grant of the options is recognized as an expense. The total amount to be expensed over the vesting year is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each statement of financial position date, the entity revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

The fair value of share-based payments recognised in the income statement is measured by use of the Black Scholes model, which takes into account conditions attached to the vesting and exercise of the equity instruments. The expected life used in the model is adjusted; based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. The share price volatility percentage factor used in the calculation is based on management's best estimate of future share price behaviour and is selected based on past experience, future expectations and benchmarked against peer companies in the industry.

Goodwill
Goodwill is carried at cost less accumulated impairment losses. Goodwill is reviewed for impairment at least annually and any impairment is recognised immediately in profit or loss and is not subsequently reversed. Goodwill is deemed to have an indefinite useful life due to the expectation of the acquired business to operate in perpetuity, so is not amortised. Refer to Note 11 for further details.

Goodwill is calculated as the excess of the sum of:

i) the consideration transferred;
ii) any non-controlling interest; and
iii) the acquisition date fair value of any previously held equity interest;

over the acquisition date fair value of net identifiable assets acquired in a business combination.

The value of goodwill recognised on acquisition of each subsidiary in which the Group holds less than a 100% interest will depend on the method adopted in measuring the aforementioned non-controlling interest.

2. Accounting Policies (continued…)

Goodwill (continued)

The Group can elect to measure the non-controlling interest in the acquiree either at fair value ('full goodwill method') or at the non-controlling interest's proportionate share of the subsidiary's identifiable net assets ('proportionate interest method'). The Group determines which method to adopt for each acquisition.

Under the 'full goodwill method', the fair values of the non-controlling interests are determined using valuation techniques which make the maximum use of market information where available.

Property, plant and equipment

Property, plant and equipment are stated at historical cost less subsequent accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Depreciation on property, plant and equipment is calculated using the reducing balance method to write off their cost over their estimated useful lives at the following annual rates:

Plant and Equipment	30%

Useful lives and depreciation method are reviewed and adjusted if appropriate, at the end of each reporting period.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the relevant asset, and is recognised in profit or loss in the year in which the asset is derecognised.

Going concern

The Directors, at the time of approving the financial statements, have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

2. Accounting Policies (continued…)

Critical accounting judgments and key sources of estimation uncertainty
The preparation of the financial statements requires management to make estimates and assumptions concerning the future that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods.

The resulting accounting estimates will, by definition, differ from the related actual results.

- **Share based payments**
  The fair value of share based payments recognized in the income statement is measured by use of the Black Scholes model, which takes into account conditions attached to the vesting and exercise of the equity instruments. The expected life used in the model is adjusted; based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. The share price volatility percentage factor used in the calculation is based on management's best estimate of future share price behaviour and is selected based on past experience, future expectations and benchmarked against peer companies in the industry. Refer to Note 22 for further details.

- **Trade and other receivables and secured loan notes**
  The receivables at the reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date. No impairment has been provided at the period end. Refer to Notes 14 and 15 for further details.

First Sentinel Plc

Notes to the Financial Statements

For the period ended 31 December 2017

3. Segmental Reporting

The Group's management has determined the operating segments based on the reports reviewed by the executive directors that are used to make strategic decisions. They consider the business from a geographical perspective and the group has two reportable segments, the UK and Australia. The Group's main lines of business are that of making investments and invoice purchasing.

For the period ended 31 December 2017:	**UK £'000**	**Australia £'000**	**Total £'000**
Segment revenue and results			
Reportable revenue	88	66	156
Revenue from external customers	88	66	156
Cost of Sales	-	(22)	(22)
Unallocated corporate income and expenses	(252)	(64)	(316)
Tax expense	-	(10)	(10)
Loss			(192)
Segment assets and liabilities			
Reportable segment assets	1,211	1,069	2,280
Goodwill			92
Consolidated total assets			2,372
Reportable segment liabilities	94	1,015	1,108
Consolidated total liabilities			1,108
Other segment information			
Interest expense	4	1	5
Depreciation	-	1	1

For the period ended 30 September 2016:	**UK £'000**	**Australia £'000**	**Total £'000**
Segment revenue and results			
Reportable revenue	-	-	-
Revenue from external customers	-	-	-
Unallocated corporate income and expenses	(12)	-	(12)
Loss before taxation			(12)
Segment assets and liabilities			
Reportable segment assets	6	-	6
Consolidated total assets			6
Reportable segment liabilities	18	-	18
Consolidated total liabilities			18
Other segment information			
Interest expense	-	-	-
Depreciation	-	-	-

First Sentinel Plc

Notes to the Financial Statements

For the period ended 31 December 2017

4. Revenue

Revenue from continuing operations:

	Period ended 31 December 2017 £'000	Period ended 30 September 2016 £'000
Invoice factoring revenue	68	-
Arrangement fees and commissions	48	-
Finance Income:		
Interest receivable on secured loan notes	40	-
Total Revenue	156	-

5. Employees and Directors

	Period ended 31 December 2017 £'000	Period ended 30 September 2016 £'000
Wages and salaries	8	-
Directors remuneration	51	-
Directors Fees	18	-
Social security costs	1	-
	78	-

The average monthly number of employees during the period was as follows:

	Period ended 31 December 2017 No.	Period ended 30 September 2016 No.
Directors	4	1
Administration	3	-
	7	1

5. Employees and Directors (continued…

	Period ended 31 December 2017	Period ended 30 September 2016
	£'000	£'000
Directors' remuneration	40	-
Directors' share based payments	10	-
Directors' fees	18	-
Total emoluments	68	-
Emoluments paid to the highest paid director	25	-

Directors' remuneration

Details of emoluments received by Directors of the Group for the period ended 31 December 2017 are as follows:

	Remuneration and fees £'000	Share based Payments (non-cash) £'000	Total £'000
B Stockbridge	20	4	24
M Rice	9	-	9
S Y Perry	13	-	13
A A Freeding	20	4	24
T B Dignall	9	2	11
Total	71	10	81

6. Other Income and expenses

a) Finance Costs:

	Period ended 31 December 2017 £'000	**Period ended 30 September 2016 £'000**
Other interest	(5)	-
Net Finance Income / (Costs)	(5)	-

b) Other income / gains / (losses)

	Period ended 31 December 2017 £'000	**Period ended 30 September 2016 £'000**
Fair value losses on financial assets at fair value through profit or loss	(22)	**-**
Gains arising from the derecognition of financial assets measured at amortised cost (upon repayment of secured loan notes)	13	-
Net other losses	(9)	-

7. Expenses – analysis by nature

	Period ended 31 December 2017 £'000	**Period ended 30 September 2016 £'000**
Directors' remuneration (Note 5)	71	-
Wages and Salaries	8	-
Auditor remuneration - audit fees (Company only £3,500 (2016: £2,000))	9	2
Auditor remuneration – non audit fees	5	-
Share based payments charge	10	-
Depreciation on property, plant and equipment	1	-
Consultancy fees	2	-
Legal and professional fees	38	10
Travel costs	16	-
Net foreign exchange losses	44	-
Operating lease rental payments	9	
Other expenses	24	-
Total administrative expenses	237	12

The Group also incurred £65,000 of admission costs relating to the admission on NEX Growth Market in March 2017.

8. Income Tax

	Period ended 31 December 2017 £'000	**Period ended 30 September 2016 £'000**
Current tax	10	-
Total taxation	10	-

Analysis of tax expense

The reconciliation of the tax expense and the product of the accounting loss multiplied by the effective rate is as follows:

	Period ended 31 December 2017 £'000	**Period ended 30 September 2016 £'000**
Loss on ordinary activities before taxation	(182)	(12)
Tax at the effective rate of 19% (2016: 20%)	(35)	(2)
Effects of:		
Expenses not deductible for tax purposes	10	2
Increase in tax losses carried forward	24	-
Profits generated in Australia and effect of taxation at a higher rate of 27%	11	-
Total taxation	10	-

No liability to UK corporation tax arose on ordinary activities for the period ended 31 December 2017 nor for the period ended 30 September 2016. Deferred tax assets have not been recognised in respect of tax losses and other temporary differences giving rise to deferred tax assets as the directors believe there is uncertainty whether the assets are recoverable. The effective tax rate used is the standard UK corporation tax rate as this is deemed to provide the most meaningful information to users of these financial statements.

9. Earnings per Share

Basic earnings per share is calculated by dividing the earnings attributable shareholders by the weighted average number of ordinary shares outstanding during the period.

Reconciliations are set out below:

	Earnings £'000	Weighted average Number of shares	Loss per-share Pence
2017			
Basic and diluted EPS			
Earnings attributable to ordinary shareholders	(192)	7,007,478	2.75
2016			
Basic and diluted EPS			
Earnings attributable to ordinary shareholders	(12)	100	120

Basic and diluted earnings per share are different, since where a loss is incurred the effect of outstanding share options and warrants is considered anti-dilutive and is ignored for the purpose of the loss per share calculation. As at 31 December 2017 there were 12,157,662 (2016: nil) outstanding share warrants, which are potentially dilutive.

10. Company's result for the period

The Company has elected to take the exemption under section 408 of the Companies Act 2006 not to present the parent Company income statement account.

The loss for the parent Company for the period was £214,000 (2016: £12,000).

11. Intangible assets

Group	Goodwill £'000	Factoring business £'000	Total £'000
Cost			
At 17 May 2016 and 30 September 2016	-	-	-
Additions	92	53	145
At 31 December 2017	92	53	145
Amortisation			
At 17 May 2016 and 30 September 2016	-	-	-
Amortisation charge for the year	-	-	-
At 31 December 2017	-	-	-
Carrying amount			
At 31 December 2017	92	53	145
At 30 September 2016	-	-	-

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. The assets have been allocated for impairment testing purposes to the individual businesses acquired which are also the cash-generating units ("CGU") identified. The recoverable amount of a CGU is determined based on value in use calculations using cash flow projections based on financial budgets approved by the Directors. The projections are based on the assumption that the company can realise projected sales. A prudent approach has been applied with no residual value being factored into these calculations. If the projected sales do not materialise there is a risk that the total value of the intangible assets shown above would be impaired.

Goodwill is assessed annually for impairment. At the period end based on these assumptions there is no indication of impairment of the value of goodwill.

On 1 December 2017 the Group entered in to an agreement to purchase 80% of the equity interests of Perennial Enterprises Pty Ltd, an invoice purchasing company, for consideration of £104,000 comprising of the following components:

- the issue of 707,937 of new ordinary shares in the Company allotted at a price of 13p per share
- options to purchase a number of shares that represent 4% of the issued ordinary share capital of the Company, at the time the optionholder gives notice to exercise the option, at a subscription price of 13 each
- the issue of 250,000 A class shares of 0.1p each in First Sentinel Perennial Limited

11. Intangible assets (continued…)

£12,000 of the consideration has been allocated to the fair value of the net identifiable assets and liabilities acquired resulting in goodwill of £92,000 for intangible assets that do not qualify for separate recognition. The goodwill includes customer loyalty, staff know how, reputation and relationships with contractors and suppliers.

The Factoring Business relates to goodwill on acquisition of an external business, purchased by Perennial Enterprise Pty Ltd prior to its acquisition by the Group.

Details of the fair value of identifiable assets and liabilities acquired and goodwill as at 1 December 2017 are as follows, measuring non controlling interests under the "proportionate interest method":

	Book Value £'000	Adjustment £'000	Fair value £'000
Intangible fixed assets	53	-	53
Tangible fixed assets	27	-	27
Financial assets	85	-	85
Trade and other receivables	461	-	461
Cash	275	-	275
Trade and other payables	(161)	-	(161)
Borrowings	(725)	-	(725)
Total net assets	15	-	15
Non controlling interests			(3)
Goodwill			92
Fair value of consideration			104

Acquisition-related costs were £27,000 and were recognised as expenses in the period within administrative expenses.

The amount of the non-controlling interest in the acquiree recognised at the acquisition date was £3,000 and was measured using the 'proportionate interest method'.

The amounts of revenue and profit of the acquire since the acquisition date included in the consolidated statement of income for the period is disclosed in note 3 under Australia.

If the acquisition had occurred at the start of the period, the combined entity would have had revenue of £1,300,000 and a net loss of £303,000.

12. Property, plant and equipment

Group

	£'000
Cost	
At 17 May 2016 and 30 September 2016	-
Acquisition of subsidiary's assets	53
At 31 December 2017	53
Depreciation	
At 17 May 2016 and 30 September 2016	-
Acquisition of subsidiary's assets	26
At 31 December 2017	26
Carrying amount	
At 31 December 2017	27
At 30 September 2016	-

13. Investments in associate undertakings

Company

	£'000
Cost	
At 17 May 2016 and 30 September 2016	-
Additions	122
	122
Carrying amount	
At 31 December 2017	122
At 30 September 2016	-

13. Investments in associate undertakings (continued)

As at 31 December 2017, the Company held the following subsidiaries:

Name of company	Principal activities	Country of incorporation and place of business	Proportion of equity interest of ordinary shares
First Sentinel Perennial Limited	Holding company	United Kingdom	100%
Perennial Enterprises Pty Ltd	Invoice factoring	United Kingdom	80%

During the period the Company acquired 10% of Perennial Enterprises Pty Ltd directly and created a new intermediate holding company, First Sentinel Perennial Limited, to acquire an additional 70%, having assessed the acquisition as having significant potential to increase shareholder value.

Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the group. The amounts disclosed for each subsidiary are before inter-company eliminations.

Perennial Enterprises Pty Ltd is a non-wholly owned subsidiary that has a material controlling interest with 20% of its ordinary shares held by non-controlling interests.

Perennial Enterprises Pty Ltd	**Period ended 31 December 2017 £'000**	**Period ended 30 September 2016 £'000**
Assets	1,072	-
Liabilities	(1,015)	-
Profit for the period	35	-
Net cash outflow	(146)	-
Profit for the period allocated to non-controlling interests during the period	7	-
Accumulated non-controlling interests as at the end of the period	10	-

14. Other financial assets

	Group		Company	
	2017	2016	2017	2016
	£'000	£'000	£'000	£'000
Other financial assets at amortised cost:				
Secured loan notes	402	-	402	-
Other financial assets at fair value through profit or loss:				
Equity securities	717	-	608	-
Total financial assets	1,119	-	1,010	-

The carrying value of secured loans is considered a reasonable approximation of fair value due to the short-term nature of the balances. The maximum exposure to credit risk at the reporting date is the fair value of each loan, less the value of the assets pledged by the issuers of the loan notes and they are neither past due nor impaired.

The fair values of equity securities are determined through Level 1 inputs from quoted market prices.

15. Trade and other Receivables

	Group		Company	
	2017	2016	2017	2016
	£'000	£'000	£'000	£'000
Trade receivables	658	-	-	-
Other receivables	119	2	119	2
Prepayments	7	1	7	1
	784	3	126	3

The carrying value of trade and other receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances. The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements and they are neither past due nor impaired.

16. Cash and Cash Equivalents

	Group		Company	
	2017	2016	2017	2016
	£'000	£'000	£'000	£'000
Cash and bank balances	297	3	75	3

17. Called Up Share Capital

Ordinary shares are classified as equity. Proceeds from issuance of ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against share capital.

Allotted, called up and fully paid ordinary shares of £0.01 each	Number of shares	Share Capital	Share Premium
		£	£
Incorporation on 17 May 2016	100	1	-
Balance at 30 September 2016	100	1	-
Share issue at £0.10 – 15 March 2017	6,309,794	63,098	511,233
Share issue at £0.10 – 24 March 2017	50,000	500	4,500
Share issue at £0.11 – 18 April 2017	727,273	7,273	72,727
Share issue at £0.11 – 5 July 2017	6,363,636	63,636	636,364
Share issue at £0.13 – 4 December 2017	707,937	7,079	84,952
Balance at 31 December 2017	14,158,740	141,587	1,309,776

The ordinary shares have attached to them full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

£44,000 of transaction costs have been deducted from the share premium within equity.

18. Trade and other payables

Current:

	Group		Company	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Trade Payables	75	18	7	18
Accrued expenses	15	-	9	-
Amount due to directors	148	-	5	-
Tax and other social security	80	-	2	-
Other payables	75	-	71	-
Total trade and other payables	393	18	94	18

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

19. Financial liabilities

Group Loans from various parties	2017 £'000	2016 £'000
Due within 1 year	558	-
Due within 1-2 years	39	-
Due within 2-5 years	118	-
	715	-

Group Loans from various parties	2017 £'000	2016 £'000
Current	558	-
Non-current	157	-
	715	-

The financial liabilities above have been measured at amortised cost and relate to non-bank loans from various parties with interest rates varying from 7% - 24% per annum. Three of the loans are non-current and have terms expiring in 2021 and 2022 with the remainder due within one year.

First Sentinel Plc

Notes to the Financial Statements

For the period ended 31 December 2017

20. Related Party Disclosures

During the period and as at the period end the Group had the following related party transactions and balances:

2017

Related Party	**Revenue / (Purchases)**	**Balance due from / (owed to) at 31/12/17**	**Nature of transactions**
Company and Group			
First Sentinel Law Limited*	(30)	(13)	Legal services and shared costs
First Sentinel Corporate Finance Limited*	-	43	Shared costs
First Sentinel Investments Limited*	-	(6)	Shared costs
NQ Minerals Plc*	43	-	Interest and fees on loan fully repaid
Yumchaa Holdings Plc*	1	66	Interest bearing loan
Director loans	-	5	Interest free current account balance
Additional for Group only:			
NQ Minerals Plc*	-	78	Trade receivables
Director loans	-	143	Interest free current account balance

2016

Related Party	**Revenue / (Purchases)**	**Balance due from / (owed to) at 31/12/16**	**Nature of transactions**
Director loans	-	(15)	Interest free current account balance

*The companies are all related parties as Brian Stockbridge is a director or shareholder and is in a position of significant influence.

Key management remuneration is disclosed in Note 5. As at the end of the period, the company owed non executive director fees of £3,000 (2016: £nil) to T Dignall and Sheetland Advisory Ltd, a company under the significant influence of M Rice.

21. Ultimate Controlling Party

No one shareholder has control of the company.

22. Share options and warrants

Share based payments

On 15 March 2017 the Company granted warrants to subscribe for new ordinary shares over 25% of the enlarged issued share capital of the Company at the time of exercise to some of the directors, at a price of 10p each for a 5 year term.

On 1 December 2017 Company granted options to subscribe for new ordinary shares over 4% of the enlarged issued share capital of the Company at the time of exercise to Shane Perry as part of the consideration paid to acquire Perennial Enterprises Pty Ltd, at a price of 13p each for a 2 year term.

The fair values of the above options and warrants issued in the period were derived using the Black Scholes model and the share based expense incurred in the Group's profit and loss for the period was £13,000.

The following assumptions were used in the calculations:

Grant date	15/03/2017	01/12/2017
Exercise price	10p	13p
Share price at grant date	10p	13p
Risk-free rate	0.2%	0.6%
Volatility	25%	25%
Expected life	2 years	2 years
Fair value	0.27p	0.37p

Expected volatility is based on a conservative estimate for a NEX listed entity. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

Non-share based payments

On 15 March 2017 additional warrants were granted to the shareholders and corporate adviser in their capacity as shareholders and were exercisable at 10p each over terms of 5 and 7 years respectively.

Conversion of options and warrants

Each warrant and option converts into one ordinary share of the company on exercise. No amounts are paid or payable by the recipient on receipt of the option and the company has no legal obligation to repurchase or settle the options in cash. The warrants carry neither rights to dividends nor voting rights prior to the date on which the options are exercised. Warrants may be exercised at any time from the date of vesting to the date of expiry.

22. Share options and warrants (continued…)

Movements in the number of share options and warrants outstanding and their related weighted average exercise prices are as follows, on the assumption that all the warrant-holders with percentage based warrants simultaneously exercise all of their of warrants:

	Number of options/warrants		Average exercise price	
	2017	2016	2017	2016
	No.	No.	£	£
Outstanding at the beginning of the period	-	-	-	-
Granted during the year	12,157,662	-	0.10	-
Forfeited/cancelled during the year	-	-	-	-
Exchanged for shares	-	-	-	-
Outstanding at the end of the period	12,157,662	-	0.10	-

The share options and warrants outstanding at the period end were all exercisable and had a weighted average remaining contractual life of 2.5 years (2016 – nil) and the maximum term is 7 years. The exercise prices range from 10p to 13p.

23. Financial commitments

The Group has total unrecognised contractual commitments of £10,000 in relation to a rental agreement that expires within the next one year.

24. Financial Risk Management Objectives and Policies

The Group's financial instruments comprise cash balances and receivables and payables that arise directly from its operations.

The main risks the group faces are foreign currency risk, interest risk, liquidity risk, market risk and capital risk.

The board regularly reviews and agrees policies for managing each of these risks. The Group's policies for managing these risks are summarised below and have been applied throughout the period. The numerical disclosures exclude short-term debtors and their carrying amount is considered to be a reasonable approximation of their fair value.

Foreign currency risk
The Group is exposed to movement in foreign currency exchange rates arising from normal trading transactions that are denominated in currencies other than the respective functional currencies of the Group entities, primarily with respect to United States dollars and Australian dollars. The group does not currently have a policy to hedge its exposure to foreign currency exchange risk. The gains or losses disclosed in Note 7 are equivalent to a sensitivity analysis and indicate how the profit or loss is affected by changes in foreign currency exchange rates.

24. Financial Risk Management Objectives and Policies (continued…)

Interest risk

The Group is not exposed to significant interest rate risk as it has fixed rates of interest bearing liabilities at the period end.

Credit risk

The group is exposed to significant credit risk from its loans and receivables if underlying borrowers fail to make repayments or default.

The Board of Directors manages credit risk by using secured Debt instruments with collateral where possible and by reviewing the credit worthiness of counterparties prior to making loans and credit sales. The carrying amounts of trade and other receivables, secured loan notes and cash and bank balances represent the Group's maximum exposure to credit risk in relation to financial assets.

Cash and bank balances, including fixed deposits are placed with reputable financial institutions.

Liquidity risk

Liquidity risk is the risk that group will encounter difficulty in meeting these obligations associated with financial liabilities.

The responsibility for liquidity risks management rest with the Board of Directors, which has established appropriate liquidity risk management framework for the management of the group's short term and long-term funding risks management requirements.

During the period under review, the Group has utilised various borrowing facilities and their carrying amount is a reasonable approximation of their fair value.

The group manages liquidity risks by maintaining adequate reserves and reserve borrowing facilities by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Market risk

The group is exposed to market risk from its financial assets in equity securities, the prices of which can fluctuate as they are determined by reference to quoted market prices. The fair value gains or losses disclosed in Note 14 are equivalent to a sensitivity analysis and indicate how the profit or loss is affected by changes in market prices.

The group manages market risk through portfolio diversification and by closely monitoring its investment strategies.

Capital risk

The group's objectives when managing capital are to safeguard the ability to continue as a going concern in order to provide returns for shareholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

25. Financial instruments by category

	Group		Company	
	2017	2016	2017	2016
	£'000	£'000	£'000	£'000
Financial Assets measured at amortised cost				
Secured loan notes	402	-	402	-
Trade receivables	658	-	-	-
Other receivables	119	2	119	2
Cash and cash equivalents	297	3	75	3
	1,476	5	596	5
Financial Assets measured at fair value through profit or loss				
Equity securities	717	-	608	-
	717	-	608	-
Financial Liabilities measured at amortised cost				
Trade payables	75	18	7	18
Other payables	166	-	76	-
Non-bank loans	715	-	-	-
	956	-	83	-

Refer to notes 6, 14, 15, 18 and 24 for further details about gains, losses fair values, credit exposure and risk management relating to financial instruments.

26. Post Balance Sheet Events

On 16 March 2018 the Company raised £70,000 of ordinary share capital.

After the period end the Company has announced that it intends to issue upto £4,000,000 sterling denominated 7.0% Secured Bonds due 28 February 2023, to be admitted to trading on the NEX Exchange Growth Market. To date the Company has raised £1,587,000 from the initial tranches of Bonds issued.

In April 2018 the Company invested £250,000 in a convertible loan to Amur Minerals Corporation and £50,000 of equity in a pre-IPO transaction in Titan FM Limited.