

Company Registration No. 10183367 (England and Wales)

FIRST SENTINEL LIMITED

**FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2016**

COMPANY INFORMATION

Director	Brian Stockbridge
Company number	10183367
Registered office	5-7, Cranwood Street, London, England, EC1V 9EE
Corporate advisor	Beaumont Cornish Limited
Auditors	MAH, Chartered Accountants
Solicitors	DAC Beachcroft LLP

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STRATEGIC REPORT

FOR THE PERIOD ENDED 30 SEPTEMBER 2016

Principal activity and fair review of the business

First Sentinel Limited was incorporated on 17 May 2016 as a limited company.

The Company is an alternative investment company, registered with the FCA as a small AIFM, that intends to provide growth capital for public and private company investments following its admission to the NEX Growth Market ("Admission").

Principal risks and uncertainties

The Company is newly incorporated and intends to invest primarily in structured debt and equity instruments to provide growth capital for portfolio companies and returns to Company shareholders. However, as at 30 September 2016 it has no investments and will not have any until after Admission. Following Admission, delays in deployment of the proceeds of the fundraising 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 investing the net proceeds of the IPO, the Company's aggregate return on investments will be reduced. Furthermore, there can be no assurance that, following Admission, 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 relative 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.

Further discussion on risk and sensitivity analysis is discussed within note 4.

Key performance indicators

There are no key performance indicators for this period as the company did not commence its investment activity.

Future developments

First Sentinel intends to invest in a range of debt and equity instruments in target portfolio companies. Following Admission, the cash held by the Company is expected to be approximately £506,000 (being the net proceeds of £636,000 of the pre IPO, the costs of Admission amounting to approximately £130,000) and will be used, in small part, as working capital for the operating costs of the Company and to make investments. 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
Director

15 March 2017

DIRECTORS' REPORT

FOR THE PERIOD ENDED 30 SEPTEMBER 2016

The directors present their report and the audited financial statements for the period ended 30 September 2016.

Results and dividends

The trading results for the period 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 during the period:

Brian Stockbridge (appointed 17 May 2016)

Directors' interests

At the date of this report the directors held the following beneficial interest in the ordinary share capital and share options of the company:

Brian Stockbridge	100%
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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 in Note 4.

A description of how the company manages its capital is also disclosed in Note 4.

The Board considers and reviews these risks on a 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.

DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2016

Financial instruments

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

Auditors

MAH, Chartered Accountants were appointed auditors to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a 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.

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
Director

15 March 2017

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FIRST SENTINEL LIMITED

We have audited the financial statements of First Sentinel Limited for the period ended 30 September 2016, which comprise the statement of comprehensive income, statement of changes of equity, statement of financial position, statement of cash flows and the related notes. 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.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out in the Directors' Report, the Directors are responsible for the preparation of the company financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit 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 Strategic report and Directors' 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 30 September 2016 and of the company's result for the period then ended.
- have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with provision of the Companies Act 2006;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report and Strategic Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF FIRST SENTINEL LIMITED

Matters on which we are required to report by exception

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 by the company, 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.

Mohammed Haque
Senior Statutory Auditor

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

Date: 15 March 2017

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 SEPTEMBER 2016**

	Notes	Period from 17 May 2016 to 30 September 2016 £'000
Continuing operations		
Administrative expenses	5	(12)
Operating loss		<hr style="width: 100%; border: 0.5px solid black;"/> (12)
Loss on ordinary activities before taxation		<hr style="width: 100%; border: 0.5px solid black;"/> (12)
Income tax	6	-
Loss and total comprehensive loss for the period attributable to the owners of the company		<hr style="width: 100%; border: 0.5px solid black;"/> (12) <hr style="width: 100%; border: 1.5px solid black;"/>
Basic and Diluted loss per share (expressed in pence per share)	7	(£120)

The notes on pages 9 to 16 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2016

		As at 30 September 2016 £'000
Assets	Notes	
Current assets		
Other receivables	8	3
Cash and cash equivalents	9	3
		<hr/> 6
Total assets		<hr/> <hr/> 6
Equity and liabilities		
Equity attributable to owners of the parent		
Called up share capital	10	-
Accumulated deficit	11	(12)
Total equity		<hr/> (12)
Liabilities		
Current liabilities		
Other payables	12	18
Total liabilities		<hr/> 18
Total equity and liabilities		<hr/> <hr/> (6)

The notes on pages 9 to 16 form part of these financial statements.

Approved by the Board and authorised for issue on 15 March 2017

 Brian Stockbridge
 Director

Company Registration No. 10183367

STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2016

		Period ended 30 September 2016
	Notes	£'000
Net cash utilised by operating activities	13	3
Cash flows from financing activities		
Proceeds from issue of ordinary shares	10	-
Net cash flows from financing activities		-
Net increase in cash and cash equivalents		3
Cash and cash equivalents at the beginning of the period		-
Cash and cash equivalents at end of period		<u>3</u>

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2016**

	Notes	Share capital £'000	Accumulated deficit £'000	Total equity £'000
As at 17 May 2016	10	-	-	-
Loss and total comprehensive loss for the period		-	(12)	(12)
As at 30 September 2016		<u>-</u>	<u>(12)</u>	<u>(12)</u>

Share capital is the amount subscribed for shares at nominal value.
Accumulated deficit represent the cumulative loss of the company attributable to equity shareholders.

The notes on pages 9 to 16 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2016

1 General information

First Sentinel Limited ('the company') is an investment company incorporated in the United Kingdom. The address of the registered office is disclosed on the company information page at the front of the annual report. The company is a private limited company and is in the process of being re-registered to a public limited company prior to applying for admission to trade on the NEX Growth Market.

2 Summary of significant 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.

2.1 Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union and as applied in accordance with the provisions of Companies Act 2006.

Preparation of financial statements

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

Standards, interpretations and amendments to published standards that are not yet effective

The following new standards, amendments to standards and interpretations have been issued, but are not effective for the financial period beginning 17 May 2016 and have not been early adopted. The Director anticipates that the adoption of these standard and the interpretations in future period will have no material impact on the financial statements of the company.

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 October 2017
IAS 12	Income taxes	Amendment on recognition of deferred tax assets for unrealised losses	Periods commencing on or after 1 January 2017	1 October 2017
IFRS 2	Share based payments	Amendment on clarifying share based payment transactions	Periods commencing on or after 1 January 2018	1 October 2018
IFRS 9	Financial Instruments	Revised standard for accounting for financial instruments	Periods commencing on or after 1 January 2018	1 October 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 October 2018
IFRS 16	Leases	IFRS 16 <i>Leases</i> published	Periods commencing on or after 1 January 2019	1 October 2019

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 30 SEPTEMBER 2016

2.2 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. In the opinion of the director, the company has one class of business, being that of an investment company. The company's primary reporting format is determined by the geographical segment according to the location of its establishments. There is currently only one geographic reporting segment, which is the UK. All costs are derived from the single segment.

2.3 Financial instruments

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument.

Other receivables

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, other receivables are measured at amortised 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.

Cash and cash equivalents

Cash and cash equivalents comprised of cash at bank and in hand.

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 relatively short term nature of these financial instruments.

Other payables

Other payables are initially recognised at fair value and thereafter stated in amortised cost.

2.4 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.5 Going concern

The directors, at the time of approving the financial statements, have a reasonable expectation that the company 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.

3 Critical accounting estimates and judgments

The company makes certain judgements and estimates which affect the reported amount of assets and liabilities. Critical judgements and the assumptions used in calculating estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3.1 Impairment of other receivables

The company reviews other receivables to assess impairment at least on a half-yearly basis. In determining whether an impairment loss should be recognised the company makes judgements as to whether there a loss event indicates that there is a measurable decrease in the estimated future cash flows of the respective receivable.

No impairment provision has been made against other receivables during the period.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 30 SEPTEMBER 2016

4 Financial risk management

The company's activities may expose it to some financial risks. The company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the company's financial performance.

a) Liquidity risk

Liquidity risk is the risk that company will encounter difficulty in meeting 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 company's short term and long-term funding risks management requirements.

During the period under review, the company has not utilised any borrowing facilities.

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

b) Capital risk

The company takes great care to protect its capital investments. Significant due diligence is undertaken prior to making any investment. The investment is closely monitored.

c) Other risks

The company is not exposed to significant interest rate, foreign exchange, price, market or credit risks as it did not commence its investment activity during the period.

4.2 Capital risk management

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure appropriate for its growth plans.

In order to maintain or adjust the capital structure the company may issue new shares or alter debt levels.

5 Operating loss and expenses by nature

	Period from 17 May 2016 to 30 September 2016 £'000
Operating loss is stated after charging:	
Legal and professional fees	10
Audit fees	<u>2</u>
Total administrative expenses	<u><u>12</u></u>

The average monthly number of employees during the period was one director. There were no benefits, emoluments or remuneration payable during the period for key management personnel.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 30 SEPTEMBER 2016

6 Taxation

	Period from 17 May 2016 to 30 September 2016 £'000
Total current tax	<u>-</u>
Factors affecting the tax charge for the period	
Loss on ordinary activities before taxation	<u>(12)</u>
Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20%	(2)
Effects of:	
Non-deductible expenses	2
Tax losses carried forward	-
Current tax charge for the period	<u><u>-</u></u>

No liability to UK corporation tax arose on ordinary activities for the current period.

The company has estimated tax losses of £2,500 available for carry forward against future trading profits.

The tax losses have resulted in a deferred tax asset of approximately £500 which has not been recognised in the financial statements due to the uncertainty of the recoverability of the amount.

7 Earnings per share

	Period from 17 May 2016 to 30 September 2016 £
Basic loss per share is calculated by dividing the loss attributable to equity shareholders by the weighted average number of ordinary shares in issue during the period:	
Loss after tax attributable to equity holders of the company	(12,000)
Weighted average number of ordinary shares	100
Basic and diluted loss per share	(£120)

There were no potential dilutive shares in issue during the period.

8 Other receivables

	2016 £'000
Other receivables	2
Prepayments	<u>1</u>
	<u><u>3</u></u>

The carrying amount of other receivables approximates to their fair value.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 30 SEPTEMBER 2016

9 Cash and cash equivalents

	2016 £'000
Cash at bank	3
	<u>3</u>

10 Share capital

	2016 £
Allotted, called up and fully paid	
100 Ordinary shares of £0.01 each	1
	<u>1</u>

During the period the company had the following share transactions:

17 May 2016: issued 100 ordinary shares of £0.01 each at par value.

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

11 Accumulated deficit

	2016 £'000
At 17 May 2016	-
Loss for the period	(12)
At 30 September 2016	<u>(12)</u>

12 Other payables

	2016 £'000
Accruals	3
Director's loan account	15
	<u>18</u>

The carrying amount approximates to its fair value.

As at the period end the company owed the director Brian Stockbridge £15,000 for an interest free current account balance.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 30 SEPTEMBER 2016

13 Cash generated from operations

	Company
	2016
	£
Reconciliation to cash generated from operations	
Operating result	(12)
Changes in working capital:	
- Increase in trade and other receivables	(3)
- Increase in trade and other payables	18
	<hr/>
	3 <hr/>

14 Control

The ultimate controlling party is Brian Stockbridge by virtue of his 100% shareholding in the company.

15 Contingent liabilities

The company has no contingent liabilities in respect of legal claims arising from the ordinary course of business.

16 Capital commitments

There was no capital expenditure contracted for at the end of the reporting period but not yet incurred.

17 Events after the reporting period

After the period end the Company has raised £636,000 (before expenses) and is seeking Admission to trade on the NEX Growth Market. The estimated net proceeds after admission costs amount to approximately £506,000 and will be used by the Company to fund ongoing working capital and otherwise implementing the Investment Policy.

SECTION B – UNAUDITED PRO FORMA STATEMENT OF NET