

Limited Liability Partnership Registration number: OC327324 (England and Wales)

**Sentrino LLP**

**(formerly INTERNOS Global LLP)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**



# Sentrino LLP

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For the year ended 31 December 2018

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# **Sentrino LLP**

## **Summary Information**

For the year ended 31 December 2018

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### **Name**

Sentrino LLP (formerly INTERNOS Global LLP)

### **Designated Members**

J.O. Short  
A.D. Thornton

### **Limited Liability Partnership Number**

OC327324

### **Registered Office**

65 Grosvenor Street  
Mayfair  
London  
W1K 3JH  
United Kingdom

### **Business Address**

65 Grosvenor Street  
Mayfair  
London  
W1K 3JH  
United Kingdom

### **Auditor**

Haysmacintyre LLP  
10 Queen Street Place  
London  
EC4R 1AG

# Sentrino LLP

## Members' report

For the year ended 31 December 2018

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The members present their report and the audited financial statements of Sentrino LLP (formerly INTERNOS Global LLP) ('Sentrino' or 'the Partnership') for the year ended 31 December 2018.

### Group structure

The financial statements consolidate the accounts of Sentrino and all its subsidiary undertakings during the year ended 31 December 2018 (together the 'Group'), which included the following entities domiciled outside of the United Kingdom:

Entities	Domicile
Eilean Donan & Co KG	Germany
Internos GmbH	Germany
INTERNOS Global Investors Kapitalverwaltungsgesellschaft mbH	Germany
INTERNOS Services GmbH	Germany
INTERNOS Spezialfondsgesellschaft mbH	Germany
INTERNOS Global Investors S.A.S.	France
INTERNOS Global Investors B.V.	Netherlands
Benelux Industrial Partnership General Partner B.V.	Netherlands
INTERNOS S.à.r.l	Luxembourg
INTERNOS Global Investors SL	Spain

The subsidiaries principally affecting the profits or net assets of the Group are listed in note 22 to the financial statements.

During the year, the Partnership disposed of its interests in all of the above entities (see note 22) with the exception of Eilean Donan & Co KG and Internos GmbH.

### Designated members

The following were the designated members throughout the year under review and up to the date of this report, and throughout the previous year:

J.O. Short (Executive Chairman)  
A.D. Thornton (Chief Executive Officer)

Designated members have the same rights and duties towards a limited liability partnership as any other member. However, designated members also have additional responsibilities, in particular:

- appointing the auditors;
- signing the accounts on behalf of the members;
- delivering the accounts to the Registrar;
- notifying the Registrar of any membership changes or change to the registered office address or name of the Partnership;
- preparing, signing and delivering the annual return to the Registrar; and
- acting on behalf of the Partnership if it is wound up and dissolved.

### Capital structure

The Partnership had one class of units (Capital Units) until 2 November 2017 when further classes of units (being A1 Units, A2 Units, Existing B Units, Further B Units, Existing C Units and Further C Units) were issued with different entitlements, reflecting changes to the respective sharing ratios and economic interests. No units carry rights to fixed income. With regard to the appointment and replacement of members, the Partnership is governed by its Partnership agreement, as amended on 2 November 2017, the Companies Act and related legislation.

The average number of members in the year was 12 (2017: 9).

**Members' report (continued)**

For the year ended 31 December 2018

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**Allocation of profits or losses and policy on members' drawings**

Partnership profits and losses in the accounting year are allocated between each member in accordance with the provisions of the Partnership agreement, as amended on 2 November 2017. Drawings on account of such allocation of profits may be made, subject to the business having sufficient cash reserves to meet its ongoing obligations.

The proceeds from the sale of the majority of the Partnership's subsidiaries and business, which completed on 16 April 2018 (see "Principal activities" below and note 22), are to be allocated between members holding Capital Units, A1 Units, A2 Units, Existing B Units, Further B Units, Existing C Units and Further C Units in accordance with the terms of the Partnership agreement, as amended on 2 November 2017.

**Principal activities**

Sentrino is an owner-managed business. Up to 16 April 2018, the group headed by the Partnership (the "Group"), acted as a pan-European investment manager, operating out of offices in London, Frankfurt, Paris, Amsterdam, Madrid, Luxembourg, Lisbon and Milan.

On 16 April 2018, the Partnership completed the sale of the majority of its subsidiaries and business (see note 22). Following the sale, the remaining entities in the group headed by the Partnership (the "Sentrino Group"), no longer provide investment management services to clients. The Sentrino Group has retained certain investments and intends to acquire additional investments to form a portfolio which it will manage as its principal activity in the future. The Partnership also has the right to receive deferred consideration arising from the sale, if certain conditions are met.

**Going concern**

In determining the appropriate basis for the preparation of the financial statements, the designated members are required to consider whether the Partnership can continue as a going concern. The consolidated profit of the Group for the year ended 31 December 2018 was £39,754,629 (2017: £336,356) and its consolidated net assets as at the end of the year were £1,361,027 (2017: £15,229,870).

Following the sale of the majority of its business in April 2018, the Sentrino Group no longer receives real estate investment management fee income and only has limited operating expenses. The Partnership received the initial proceeds from the sale of the majority of the business in April 2018 and has the right to receive additional deferred consideration, if certain conditions are met. The Partnership made distributions to members in April 2018, November 2018, December 2018 and January 2020 and intends to invest up to £500,000 to acquire a portfolio of investments, which it will manage going forwards with a view to a profit. Cash flow forecasting has been, and will continue to be, undertaken before any additional investments are acquired or further distributions are made to members to ensure that sufficient cash is retained in the Partnership to acquire and manage the investment portfolio and meet its operating expenses for the foreseeable future (see Liquidity Risk on page 4). The designated members have considered the foregoing and the risks and uncertainties relating to the Sentrino Group and they have a reasonable expectation that the Partnership and the Sentrino Group have adequate resources to meet their liabilities as they fall due. Therefore, despite the sale of the majority of the business during the year, they believe it is appropriate to prepare the financial statements on a going concern basis. The adoption of the going concern basis can also be found in the accounting policies note to the consolidated financial statements on page 17.

**Business objectives and strategy**

Following the sale of the majority of the business in April 2018, the Partnership and the Sentrino Group will continue to hold, acquire and manage a portfolio of investments and will await the receipt of the deferred consideration arising from the sale.

# Sentrino LLP

## Members' report (continued)

For the year ended 31 December 2018

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### Business review

Prior to the sale of the majority of its business, the Group continued to act as a pan-European real estate investment manager for its funds and separate account clients. Following the sale, the Sentrino Group ceased to act as a pan-European real estate investment manager and its holdings in QDF and Torre Zen were sold, but it continued to manage its existing investments in Heylo and DREF (see note 13) and to seek further investment opportunities.

### Financial risk management objectives and policies

In the period following the sale of the majority of the business in April 2018, the Sentrino Group was exposed to a number of financial risks, including cash flow and exchange rate risk, credit risk and liquidity risk.

#### *Cash flow and exchange rate risk*

The Sentrino Group no longer has significant Sterling cash requirements and has undistributed cash deposits in Euro, sufficient to meet its operating expenses as they fall due. Going forwards, any deferred consideration received and any distributions made will be in Euros. It is not expected that the Sentrino Group will be exposed to exchange rate risk arising from its ongoing operational activities and there is no intention to put any hedging in place.

#### *Credit risk*

The Sentrino Group has cash deposits, investments and a single material deferred receivable from the sale. Its credit risk at the year-end is primarily attributable to the deferred consideration receivable and its cash deposits.

The Partnership is exposed to the risk that any deferred consideration due from the sale will not be paid as and when due. Due to the size, credit worthiness and financial standing of the purchaser, this risk is not considered significant. The credit worthiness of the purchaser will be monitored by the designated members on a regular basis.

The credit rating by international credit-rating agencies of the bank where the liquid cash deposits are held is monitored on a regular basis and the credit risk is considered low.

#### *Liquidity risk*

The Sentrino Group has only limited operating expenses and has sufficient cash deposits to meet its ongoing operating expenses as they fall due. Before any distributions are made to members or additional investments are made, a cash flow analysis will be undertaken to ensure that the Sentrino Group retains sufficient cash to meet its limited operating expenses for the foreseeable future.

## Sentrino LLP

### Members' report (continued)

For the year ended 31 December 2018

#### Principal risks and uncertainties

The key potential risks and uncertainties that could have a material impact on the Sentrino Group's future long term performance are as follows:

Key Risk	Description	Mitigation
Liquidity/cash flow	The Sentrino Group is unable to meet its operating expenses as they fall due.	The Sentrino Group has sufficient cash deposits to meet its limited operating expenses and will not make any further investments, or distributions to members, without preparing a detailed cash flow analysis to ensure sufficient funds are retained to meet its operating expenses as they fall due.
Deferred consideration	The conditions required to be satisfied in order to trigger the deferred consideration from the purchaser are not met.	The Sentrino Group will retain sufficient liquid cash to ensure it can continue to operate even if no deferred consideration is received.
Credit risk	The deferred consideration due from the purchaser is not paid when due.	Due to the size, credit worthiness and financial standing of the purchaser, this risk is not considered significant. The credit worthiness of the purchaser will be monitored by the designated members on a regular basis.
Fiduciary duties	Designated members' liability in relation to errors and breaches.	Run off and directors' and officers' insurance cover is in place.

#### Supplier payment policy

Unless otherwise agreed, supplier invoices are paid within 30 days of the invoice date. If there is a dispute in relation to an invoice, the supplier will be notified before the expiry of the payment period.

#### Key performance indicators

Sentrino LLP is entitled to receive deferred consideration arising from the sale of the majority of the business in April 2018, contingent upon certain conditions being met. The designated members assess the performance of the Sentrino Group by monitoring the likelihood of meeting the conditions, based on information provided by the purchaser and thereby the likelihood and extent of the deferred consideration being received.

Going forward, the designated members will monitor the performance of the investment portfolio by undertaking a buy/hold/sell analysis of each investment.

#### Employees

Following the sale of the majority of the business in April 2018, the Sentrino Group no longer has any employees.

## Sentrino LLP

### Members' report (continued)

For the year ended 31 December 2018

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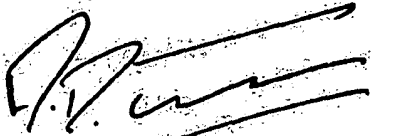
#### Auditor

Each of the persons who is a designated member at the date of approval of this members' report confirms that:

- so far as the designated member is aware, there is no relevant audit information of which the Partnership's auditor is unaware; and
- the designated member has taken all the steps that he/she ought to have taken as a designated member in order to make himself/herself aware of any relevant audit information and to establish that the Partnership's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Approved by the designated members on 6 March 2020 and signed on behalf of the members by:



A.D. Thornton  
Designated Member



**Statement of members' responsibilities in respect of the financial statements**

For the year ended 31 December 2018

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The members are responsible for preparing the Members' Report and the financial statements in accordance with applicable law and regulations.

The Limited Liability Partnership Regulations 2001, made under the Limited Liability Partnerships Act 2000, The Limited Liability Partnerships (Accounts & Audit) (Application of Companies Act 2006) Regulations 2008, require the members to prepare financial statements for each financial year. Under that law, the members have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS). Under company law, as applied to limited liability partnerships, the members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and the profit or loss of the limited liability partnership for that period.

In preparing these financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable IFRS have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the limited liability partnership's transactions, disclose with reasonable accuracy at any time the financial position of the limited liability partnership and enable them to ensure that the financial statements comply with the Companies Act 2006 as applicable to limited liability partnerships. They are also responsible for safeguarding the assets of the limited liability partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SENTRINO LIMITED LIABILITY PARTNERSHIP ('LLP')**

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We have audited the financial statements of Sentrino LLP for the year ended 31 December 2018 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Partnership Balance Sheet, the Consolidated and Partnership Statement of Changes in Equity, the Consolidated and Partnership Cash flow statement and the related notes 1 to 29, 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.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the limited liability partnership's affairs as at 31 December 2018 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with IFRS as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships

## **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 below. We are independent of the limited liability partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Conclusions relating to going concern**

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

- the members use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the limited liability partnership'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.

## **Other information**

The other information comprises the information included in the Members' Report set out on page 2, other than the financial statements and our auditor's report thereon. The members are responsible for the other information. Our opinion on the financial statements does not cover the other information and 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

## **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 as applied to limited liability partnerships 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
- we have not received all the information and explanations we require for our audit

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SENTRINO LIMITED LIABILITY PARTNERSHIP ('LLP') (Continued)**

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## **Responsibilities of members**

As explained more fully in the Statement of Members' Responsibilities, set out on page 7, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the members 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 members are responsible for assessing the limited liability partnership'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 members either intend to liquidate the partnership or to cease operations, or have no realistic alternative but to do so.

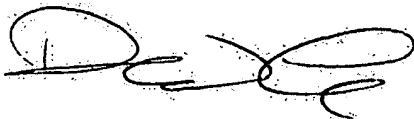
## **Auditor's responsibilities for the audit of the financial statements**

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/auditorsresponsibilities>. This description forms part of our auditor's report.

## **Use of our report**

This report is made solely to the members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to Limited Liability Partnerships. Our audit work has been undertaken so that we might state to the 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 limited liability partnership and the limited liability partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.



David Cox (Senior statutory auditor)  
for and on behalf of Haysmacintyre LLP, Statutory Auditor

6 March 2020

10 Queen Street Place  
London  
EC4R 1AG

**Sentrino LLP****Consolidated statement of comprehensive income**

For the year ended 31 December 2018

	Notes	2018 £	2017 £
<b>Continuing operations</b>			
Revenue		418,918	17,500
<b>Gross profit from continuing operations</b>		418,918	17,500
Administrative expenses		(67,441)	(256,885)
<b>Consolidated operating profit / (loss) from continuing operations</b>	4	351,477	(239,385)
Investment income	7	26,692	3,395
Foreign exchange gains/(losses)		82,194	(1,624)
Finance costs	8	(2,965)	(2,574)
<b>Consolidated profit/ (loss) before tax from continuing operations</b>		457,398	(240,188)
Tax charge	9	(87,483)	9,043
<b>Consolidated profit / (loss) after tax from continuing operations</b>		<b>369,915</b>	<b>(231,145)</b>
Profit after tax from discontinued operations	23	39,384,714	567,501
<b>Consolidated profit after tax for the year</b>		<b>39,754,629</b>	<b>336,356</b>
<b>Other Comprehensive Income</b>			
<b>Continuing operations</b>			
Net gain on fair value through other comprehensive income		41,183	38,153
<b>Discontinued operations</b>			
Foreign exchange differences		321,221	582,445
Pension reserves movement		-	(11,085)
<b>Other comprehensive income for the year</b>		<b>362,404</b>	<b>609,513</b>
<b>Total consolidated comprehensive income</b>		<b>40,117,033</b>	<b>945,869</b>
<i>Consolidated profit for the financial year attributable to:</i>			
Members of the Partnership		39,725,307	289,204
Non-controlling interest		29,322	47,152
		<b>39,754,629</b>	<b>336,356</b>
<i>Foreign exchange differences attributable to:</i>			
Members of the Partnership		321,221	589,960
Non-controlling interest		-	(7,515)
		<b>321,221</b>	<b>582,445</b>
<i>Net gain on fair value through other comprehensive income attributable to:</i>			
Members of the Partnership		41,183	38,153
		<b>41,183</b>	<b>38,153</b>
<i>Pension reserves attributable to:</i>			
Members of the Partnership		-	(10,520)
Non-controlling interest		-	(565)
		<b>-</b>	<b>(11,085)</b>
<b>Total consolidated comprehensive income attributable to:</b>			
Members of the Partnership		40,087,711	906,797
Non-controlling interest		29,322	39,072
		<b>40,117,033</b>	<b>945,869</b>

# Sentrino LLP

## Consolidated balance sheet

At 31 December 2018

	Notes	2018 £	2017 £
<b>Non-current assets</b>			
Intangible assets	11	-	149,098
Property, plant and equipment	12	479	183,241
Investments	13	5	607,076
Deferred tax assets	9	-	191,895
Non-current tax assets	9	188,496	-
Deferred consideration	15	31,836,296	-
Total non-current assets		<u>32,025,276</u>	<u>1,131,310</u>
<b>Current assets</b>			
Trade and other receivables	14	6,736	9,410,198
Amounts due from members		-	570,566
Current tax assets	9	-	76,349
Cash and bank balances		2,387,803	13,474,015
Total current assets		<u>2,394,539</u>	<u>23,531,128</u>
<b>Total assets</b>		<u>34,419,815</u>	<u>24,662,438</u>
<b>Current liabilities</b>			
Trade and other payables	16	(126,643)	(8,736,097)
Amounts due to members		(32,654,646)	-
Current tax liabilities	9	(277,499)	-
Total current liabilities		<u>(33,058,788)</u>	<u>(8,736,097)</u>
<b>Net current assets / (liabilities)</b>		<u>(30,664,249)</u>	<u>14,795,031</u>
<b>Non-current liabilities</b>			
Retirement benefit obligations		-	(655,026)
Deferred tax liabilities	9	-	(41,445)
Total non-current liabilities		<u>-</u>	<u>(696,471)</u>
<b>Total liabilities</b>		<u>(33,058,788)</u>	<u>(9,432,568)</u>
<b>CONSOLIDATED NET ASSETS</b>		<u>1,361,027</u>	<u>15,229,870</u>
<b>Consolidated members' equity</b>			
Reserves		326,027	13,977,590
Members' capital	18	1,035,000	1,035,000
<b>Equity attributable to members</b>		<u>1,361,027</u>	<u>15,012,590</u>
Non-controlling interests		-	217,280
<b>CONSOLIDATED EQUITY</b>		<u>1,361,027</u>	<u>15,229,870</u>

# Sentrino LLP

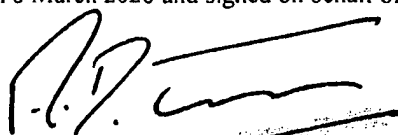
## Consolidated balance sheet (continued)

At 31 December 2018

	2018 £	2017 £
<b>Consolidated members' interest</b>		
Members' capital	1,035,000	1,035,000
Reserves	326,027	13,977,590
	<u>1,361,027</u>	<u>15,012,590</u>
Amounts due to / (from) members	32,654,646	(570,566)
<b>TOTAL CONSOLIDATED MEMBERS' INTERESTS</b>	<u><u>34,015,673</u></u>	<u><u>14,442,024</u></u>

The notes on pages 16 to 34 form part of these consolidated financial statements

The consolidated financial statements of Sentrino LLP were approved and authorised for issue by the designated members on 6 March 2020 and signed on behalf of the members by:



A.D. Thornton  
Designated Member

## Sentrino LLP

### Consolidated statement of changes in equity For the year ended 31 December 2017

	Members' Capital	Retranslation Reserve	Legal Reserve	Fair value through OCI Reserve	Pension Reserve	Retained Earnings	Equity Attributable to Members	Non- Controlling Interest	Equity	Amounts due to/(from) Members	Total
	£	£	£	£	£	£	£	£	£	£	£
Consolidated balance at 1 January 2017	1,035,000	892,623	10,056	131,141	(342,151)	12,283,005	14,009,674	153,304	14,162,978	90,996	14,253,974
Total consolidated comprehensive income for the year	-	589,960	-	38,153	(10,520)	289,204	906,797	-	906,797	-	906,797
Movement in non-controlling interest	-	-	-	-	-	-	-	63,976	63,976	-	63,976
Loss allocated to members	-	-	-	-	-	96,119	96,119	-	96,119	(96,119)	-
Drawings	-	-	-	-	-	-	-	-	-	(565,444)	(565,444)
Consolidated balance at 31 December 2017	1,035,000	1,482,583	10,056	169,294	(352,671)	12,668,328	15,012,590	217,280	15,229,870	(570,567)	14,659,303

## Sentrino LLP

### Consolidated statement of changes in equity (continued)

For the year ended 31 December 2018

	Members' Capital	Retranslation Reserve	Legal Reserve	Fair value through OCI Reserve	Pension Reserve	Retained Earnings	Equity Attributable to Members	Non-Controlling Interest	Equity	Amounts due to/(from) Members	Total
	£	£	£	£	£	£	£	£	£	£	£
Consolidated balance at 1 January 2018	1,035,000	1,482,583	10,056	169,294	(352,671)	12,668,328	15,012,590	217,280	15,229,870	(570,567)	14,659,303
Total consolidated comprehensive income for the year	-	321,221	-	41,183	-	39,725,307	40,087,711	-	40,087,711	-	40,087,711
Movement in non-controlling interest	-	-	-	-	-	-	-	29,322	29,322	-	29,322
Transfers	-	-	(10,056)	(210,477)	352,671	114,464	246,602	(246,602)	-	-	-
Profit allocated to members	-	-	-	-	-	(53,985,876)	(53,985,876)	-	(53,985,876)	53,985,876	-
Drawings	-	-	-	-	-	-	-	-	-	(20,760,663)	(20,760,663)
Consolidated balance at 31 December 2018	1,035,000	1,803,804	-	-	-	(1,477,777)	1,361,027	-	1,361,027	32,654,646	34,015,673



## Sentrino LLP

### Consolidated cash flow statement

For the year ended 31 December 2018

	Notes	2018 £	2017 £
<b>Net cash from operating activities</b>	19	<u>(1,129,050)</u>	<u>1,995,127</u>
<b>Investing activities</b>			
Purchase of intangible assets	11	-	(93,103)
Purchases of property, plant and equipment	12	-	(18,876)
Disposal of property, plant and equipment		-	647
Repayment of investments		-	15,716
Disposal of investments		-	204,274
Proceeds from realisation of investments		475,927	-
Proceeds received on disposal of subsidiaries		22,829,367	-
Costs directly attributable to disposal		(855,758)	-
Cash in subsidiaries on disposal		<u>(11,879,445)</u>	<u>-</u>
<b>Net cash generated from investing activities</b>		<u>10,570,091</u>	<u>108,658</u>
<b>Financing activities</b>			
Interest paid		-	(53,339)
Finance income		27,434	-
Payments to members		<u>(20,760,663)</u>	<u>(564,870)</u>
<b>Net cash used in financing activities</b>		<u>(20,733,229)</u>	<u>(618,209)</u>
<b>Net increase in cash and cash equivalents</b>		<u>(11,292,188)</u>	<u>1,485,576</u>
Cash and cash equivalents at beginning of year		13,474,015	11,503,332
Effect of foreign exchange rate changes		205,976	485,107
<b>Cash and cash equivalents at end of year</b>		<u><u>2,387,803</u></u>	<u><u>13,474,015</u></u>

## Notes to the consolidated financial statements

For the year ended 31 December 2018

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### 1. General information

Sentrino LLP (formerly INTERNOS Global LLP) (the “Partnership”) is a limited liability partnership established under the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. The address of the Partnership’s registered office is given on page 1. The nature of the Group’s operations and its principal activities are set out in the Members’ Report on pages 2 to 6. The Group comprised the Partnership and all its subsidiary undertakings during the year.

The functional currency of the Partnership is pounds sterling (£) as this is the currency of its primary economic environment. These financial statements are presented in pounds sterling. Foreign operations are included in accordance with the policies as set out in note 2.

### 2. Significant accounting policies

#### Basis of accounting

The financial statements have been prepared in accordance with International Financial Reporting Standards adopted by the European Union (IFRS) and on the historical cost basis, except for the revaluation of certain financial instruments. Historical cost is generally based on the fair value of the consideration given in exchange for the assets. The principal accounting policies, which have been applied consistently during the year and the preceding year, are set out below.

#### Basis of consolidation

The consolidated financial statements comprise the financial statements of the Partnership and its subsidiaries as at 31 December 2018 and for the year then ended. Control is achieved when the Group is exposed to, or has rights to, variable returns from its involvement with an investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that holding a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group’s voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

**Notes to the consolidated financial statements (continued)**For the year ended 31 December 2018

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**2. Significant accounting policies (continued)****Basis of consolidation (continued)**

Profit or loss, and each component of other comprehensive income, are attributed to members of the Partnership and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-Group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Partnership loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

**Going concern**

In determining the appropriate basis for the preparation of the financial statements, the designated members are required to consider whether the Partnership can continue as a going concern. The consolidated profit of the Group for the year ended 31 December 2018 was £39,754,629 (2017: £336,356) and its consolidated net assets as at the end of the year were £1,361,027 (2017: £15,229,870).

Following the sale of the majority of its business to in April 2018, the Sentrino Group will no longer receive real estate investment management fee income and will only have limited operating expenses. The Partnership has received the initial proceeds from the sale of the business and has the potential to receive deferred consideration if certain conditions are met. During the year, the Partnership made an initial distribution to members of part of the initial proceeds received in April 2018, November 2018, December 2018 and made a further distribution in January 2020. It intends to invest in the region of up to £500,000 in a portfolio of investments, which it will manage going forwards with a view to a profit. Cash flow forecasting has been, and will continue to be, undertaken before any additional investments are acquired or further distributions are made to members to ensure that sufficient cash is retained in the Partnership to acquire and manage the investment portfolio and to meet its operating expenses for the foreseeable future (see Liquidity Risk on page 4).

The designated members have considered the foregoing and the risks and uncertainties relating to the Sentrino Group and they have a reasonable expectation that the Partnership and the Sentrino Group have adequate resources to meet their liabilities as they fall due. Therefore, despite the sale of the majority of the business, they believe it is appropriate to prepare the financial statements on a going concern basis.

**Revenue recognition**

Revenue is recognised in relation to services when the services have been performed in line with the conditions set out in the relevant services contract.

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business, net of discounts, VAT and other sales-related taxes.

Revenue or income is accrued when it is earned from providing a service, but has yet to be billed. The recognition of such income is based on an entitlement to the income for services already performed and discounting the entitled income to the present value, based on an appropriate discount rate for a given period and the best estimate of the time when the revenue is to be billed.

**Deferred consideration**

Deferred consideration is initially recognised at its estimated amount where consideration is probable and can be measured reliably. Where (i) the deferred consideration is not considered probable or cannot be reliably measured but subsequently becomes probable and measurable or (ii) deferred consideration previously measured is adjusted, the amounts are recognised as an adjustment to the receivable asset.

**Notes to the consolidated financial statements (continued)**For the year ended 31 December 2018

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**2. Significant accounting policies (continued)****Leasing**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rentals payable under operating leases are charged to the income statement on a straight-line basis over the term of the relevant lease, except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease assets are consumed.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

**Foreign currencies**

The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which it operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of the Group are expressed in pounds Sterling ("£"), which is the functional currency of the Partnership, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise, except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into to hedge certain foreign currency risks; and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the net investment.

For the purpose of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation or a disposal involving loss of control over a subsidiary that includes a foreign operation, loss of joint control over a jointly controlled entity that includes a foreign operation or loss of significant influence over an associate that includes a foreign operation), all of the accumulated exchange differences in respect of that operation attributable to the Group are reclassified to profit or loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

**Notes to the consolidated financial statements (continued)**For the year ended 31 December 2018

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**2. Significant accounting policies (continued)****Pensions and other post-employment benefits**

Payments to defined contribution retirement benefit schemes are recognised as an expense when employees have rendered service entitling them to the contributions. Payments made to state-managed retirement benefit schemes are dealt with as payments to defined contribution schemes where the Group's obligations under the same schemes are equivalent to those arising in a defined contribution retirement benefit scheme.

The Group also operated a defined benefit pension plan in Germany, which required contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the statement of financial position with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to the income statement in subsequent periods.

Past service costs are recognised in the income statement on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation under 'administration expenses' and 'finance costs' in the consolidated income statement (by function):

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements
- Net interest expense or income

**Taxation**

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

**Current tax**

The tax currently payable by the Group is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

**Partnership tax**

Income tax payable on the Partnership's profits is solely the personal liability of the individual members and is consequently not dealt with in these financial statements.

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

For the year ended 31 December 2018

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**2. Significant accounting policies (continued)**

**Taxation (continued)**

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

**Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and any recognised impairment loss.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives, using the straight-line method, on the following bases:

Office Equipment	40% in the year of acquisition with balance over three years on a straight-line basis
Fixtures and fittings	20% straight line
Leasehold improvements	10% straight line

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

For the year ended 31 December 2018

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**2. Significant accounting policies (continued)**

**Financial instruments**

Financial assets and financial liabilities are recognised in the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

**Financial Assets**

*Initial recognition and measurement*

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, AFS financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

*Subsequent measurement*

For purposes of subsequent measurement financial assets are classified in four categories:

- Financial assets at fair value through profit or loss
- Loans and receivables
- Held-to-maturity investments
- AFS financial assets

*Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss (FVTPL) include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments as defined by IAS 39. The Group has not designated any financial assets at fair value through profit or loss. Financial assets at FVTPL are carried in the balance sheet at fair value with net changes in fair value presented as finance costs (negative net changes in fair value) or finance income (positive net changes in fair value) in the income statement.

*Financial assets at fair value through other comprehensive income (FVTOCI)*

Financial assets at fair value through other comprehensive income include equity investments and debt securities.

The Group had investments in unlisted shares that were not traded in an active market but that were classified as FVTOCI financial assets and stated at fair value. Fair value is determined in the manner described in note 13. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the FVTOCI reserve with the exception of impairment losses, interest calculated using the effective interest method and foreign exchange gains and losses on monetary assets, which are recognised directly in profit and loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in the FVTOCI reserve is not recycled through profit and loss.

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

For the year ended 31 December 2018

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**2. Significant accounting policies (continued)**

**Financial Assets (continued)**

*Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss in finance costs for loans and in cost of sales or other operating expenses for receivables.

This category generally applies to trade and other receivables and amounts advanced to related parties.

*Impairment of financial assets*

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For all other financial assets, objective evidence of impairment could include:

- Significant financial difficulty of the issuer or counterparty; or
- Default of delinquency in interest or principal payments; or
- It becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 30 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the assets carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the profit and loss.

For the financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit and loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

*Derecognition of financial assets*

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.



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

For the year ended 31 December 2018

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**2. Significant accounting policies (continued)**

**Financial liabilities**

Financial liabilities comprise of trade and other payables.

*Initial recognition and measurement*

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group does not have any financial liabilities at fair value through profit or loss, or derivatives designated as hedging instruments in an effective hedge.

*Loans and borrowings and other payables*

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

*Derecognition of financial liabilities*

The Group derecognised financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**Policy on members' drawings and allocation of profits or losses**

The members' policy on allocation of profits or losses allows each member to share the profits and losses of the Partnership in each accounting year in accordance with the terms of the Partnership agreement. As per the agreement, the allocations of the profits or losses in respect of any accounting year are paid on or around the last business day of the relevant accounting year. Drawings in advance of such allocation of profits or losses are only distributed subject to the business having sufficient cash reserves to meet its ongoing obligations.

**Non-controlling interests**

Non-controlling interests, that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation, may be measured initially either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interest are measured at fair value or, when applicable, on the basis specified in another IFRS.

**Cash and short-term deposits**

Cash and short-term deposits comprise of cash at banks and on hand and deposits with a maturity of 3 months or less, which are subject to an insignificant risk of changes in value.

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

For the year ended 31 December 2018

**3. Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Group's accounting policies, which are described in note 2, the designated members are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Estimates

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

*Fair value measurement of financial assets*

When the fair values of financial assets recorded in the statements of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the recoverable net assets value model and discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial assets.

**Deferred consideration**

Deferred consideration has been recognised in the accounts at the fair value of expected cash inflows based on the terms of the sale contract, discounted to present value at an appropriate market rate. Assets are assessed at each balance sheet date to determine their fair value.

**4. Consolidated profit**

Consolidated profit for the year has been arrived at after charging/(crediting):

	2018 £	2017 £
Amortisation of intangible assets (note 11)	17,816	83,530
Depreciation of property, plant and equipment (note 12)	18,822	56,236
Write-off of property, plant and equipment (note 12)	-	21,175
Write-off of investments (note 13)	-	26,789
Staff costs (note 6)	2,719,245	11,908,829
Operating lease payments	280,100	980,939
Shareholder's loan written off (note 13)	-	126,519
Impairment loss on other receivables	-	9,983
Impairment loss reversed on trade receivables (note 14)	-	(45,281)
	<u>          </u>	<u>          </u>

# Sentrino LLP

## Notes to the consolidated financial statements (continued)

For the year ended 31 December 2018

### 5. Auditor's remuneration

The analysis of auditor's remuneration is as follows:

	2018 £	2017 £
Fees payable to the Partnership's auditor for the audit of the Partnership's annual accounts:		
- Current year	40,290	38,287
Fees payable to the Partnership's auditor and its associates for audit and non-audit services to the Sentrino Group:		
Audit of the Partnership's subsidiaries		
- Current year	16,775	237,962
<b>Total auditor's remuneration</b>	<b>57,065</b>	<b>276,249</b>

### 6. Staff costs

	2018 Number	2017 Number
Average numbers of members of the Partnership during the year	12	9
Monthly average number of employees during the year (excluding members of the Partnership)	34	97

The monthly average number of employees for the period up to the date of the sale of a significant part of the business in April 2018 was 102. Following the sale the Sentrino Group had no employees.

Aggregate remuneration comprised:

	2018 £	2017 £
Wages and salaries	2,369,701	10,541,699
Social security costs	286,707	1,223,380
Other pension costs	62,837	143,750
	<b>2,719,245</b>	<b>11,908,829</b>

### 7. Investment income

	2018 £	2017 £
<b>Continuing operations</b>		
Other interest income	20	-
Gains on other investments	26,672	3,395
	<b>26,692</b>	<b>3,395</b>
<b>Discontinued operations</b>		
Interest income on bank deposits	6	387
Other interest income	262	8,653
Gains on other investments	3,328	113,385
	<b>3,596</b>	<b>122,425</b>

# Sentrino LLP

## Notes to the consolidated financial statements (continued)

For the year ended 31 December 2018

### 8. Finance costs

	2018	2017
	£	£
<b>Continuing operations</b>		
Bank charges	2,965	2,574
<b>Discontinued operations</b>		
Bank charges	14,175	38,971
Interest on pension benefits (note 10)	-	11,794
	<u>17,140</u>	<u>53,339</u>

### 9. Taxation

	2018	2017
	£	£
<b>Corporation tax:</b>		
Current year		
Continued operations	87,483	(9,043)
Discontinued operations	94,865	153,476
Prior year adjustment	-	-
	<u>182,348</u>	<u>144,433</u>
<b>Current tax charge for the year</b>		
Deferred tax:		
Current year	-	(3,413)
	<u>182,348</u>	<u>141,020</u>
<b>Total tax charge for the year</b>		

The charge for the year can be reconciled to the profit per the consolidated statement of comprehensive income as follows:

	2018	2017
	£	£
Profit before tax from continuing operations	457,398	(240,188)
Profit before tax from discontinued operations	39,479,579	717,564
	<u>39,936,977</u>	<u>477,376</u>
Tax at the UK corporation tax rate of 19% (2017: 19.25%)	7,588,026	91,895
<b>Effects of:</b>		
Partnership income not taxable	(7,416,048)	(99,954)
Expenses not deductible for tax purposes	-	253,798
Movement in items for which deferred tax not recognised	-	(22,004)
Tax effect of tax losses for which deferred tax not recognised	-	36,065
Chargeable gains / losses	36,964	-
Tax effect of subsidiaries operating in other jurisdictions	(25,074)	(118,780)
Rate change adjustment	(1,520)	-
	<u>182,348</u>	<u>141,020</u>
<b>Total tax charge for the year</b>		
	<u>2018</u>	<u>2017</u>
<b>Current tax asset/(liabilities):</b>	<b>£</b>	<b>£</b>
Non-current tax asset	188,496	-
Current tax asset	-	76,349
Current tax liability	(277,499)	-
	<u>(89,006)</u>	<u>76,349</u>
<b>Balance at 31 December</b>		

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

For the year ended 31 December 2018

**9. Taxation (continued)**

	2018	2017
	£	£
<b>Current tax asset/(liabilities):</b>		
Balance at 1 January	76,349	(251,481)
Charge to the income statement	(182,348)	(144,433)
Payments	-	482,660
Foreign exchange differences	6,315	(10,397)
Disposal of subsidiary	10,678	-
	<u>(89,006)</u>	<u>76,349</u>
Balance at 31 December		
	2018	2017
	£	£
<b>Deferred tax liabilities:</b>		
Balance at 1 January	(41,445)	(31,065)
Charge to AFS reserve	-	(9,095)
Foreign exchange differences	-	(1,285)
Reversed on disposal of investments	41,445	-
	<u>-</u>	<u>(41,445)</u>
Balance at 31 December		
	2018	2017
	£	£
<b>Deferred tax assets:</b>		
Balance at 1 January	191,895	180,955
Credit to the income statement	-	3,413
Foreign exchange differences	-	7,527
Disposal of subsidiaries	(191,895)	-
	<u>-</u>	<u>191,895</u>
Balance at 31 December		
	-	191,895
Total deferred tax credit to the income statement for the year	<u>-</u>	<u>3,413</u>

**10. Retirement benefit obligations**

Prior to the sale, the Group operated two types of retirement benefit scheme, which were defined contribution schemes and defined benefit schemes.

*Defined contribution schemes*

The Group operated the defined contribution retirement benefit schemes for qualifying employees. The assets of the schemes were held separately from those of the Group in funds under the control of the scheme trustees. The Group was required to contribute a specified percentage of payroll costs to the schemes to fund the benefits. The only obligation of the Group with respect to the defined contribution schemes has been to make the specified contributions. Following the sale of significant part of the business in April 2018 (see note 22), the Sentrino Group no longer operates or has any liability for any of these defined contribution schemes.

The total cost charged to administrative expenses in the year of £63,011 (2017: £139,756) represents contributions payable in the year to these schemes by the Group at rates specified in the rules of the plans. As at 31 December 2018, no contributions (2017: £34,541) due in respect of the current reporting period were payable.

*Defined benefit schemes*

One of the Group's German subsidiaries, INTERNOS Spezialfondsgesellschaft mbH ("ISG"), which was disposed of as part of the sale in April 2018, sponsored defined benefit schemes for its qualifying employees. The defined benefit schemes were based on a direct pension commitment given by ISG, where the level of the pension payment was pre-defined and dependent on factors such as age, salary level and length of service. The accounting principles for defined benefit pension plans in IAS 19 have been applied to these pension schemes.

Following the sale of a significant part of the business in April 2018 (see note 22), the Sentrino Group no longer operates or has any liability for any of the defined benefit schemes.

# Sentrino LLP

## Notes to the consolidated financial statements (continued)

For the year ended 31 December 2018

### 11. Intangible assets

		2018 £	2017 £
Carrying amounts of:			
Software		-	149,098
		-	149,098
	<b>Acquired future contracts</b>	<b>Software</b>	<b>Total</b>
	£	£	£
<b>Cost/Valuation</b>			
At 1 January 2017	1,277,886	499,168	1,777,054
Additions	-	93,103	93,103
Exchange differences	-	20,639	20,639
At 1 January 2018	1,277,886	612,910	1,890,796
Exchange differences	-	6,717	6,717
Disposals	(1,277,886)	(619,627)	(1,897,513)
At 31 December 2018	-	-	-
<b>Amortisation</b>			
At 1 January 2017	1,277,886	365,182	1,643,068
Charge for the year	-	83,530	83,530
Exchange differences	-	15,100	15,100
At 1 January 2018	1,277,886	463,812	1,741,698
Charge for the year	-	17,816	17,816
Exchange differences	-	6,082	6,082
Disposals	(1,277,886)	(487,710)	(1,765,596)
At 31 December 2018	-	-	-
<b>Net book value</b>			
At 31 December 2018	-	-	-
At 31 December 2017	-	149,098	149,098

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

## 12. Property, plant and equipment

	2018 £	2017 £
Carrying amounts of:		
Leasehold improvements	-	-
Fixtures, fittings and office equipment	479	183,241
	<u>479</u>	<u>183,241</u>

	Leasehold improvements £	Fixtures, fittings and office equipment £	Total £
<b>Cost</b>			
At 1 January 2017	47,215	822,318	869,533
Additions	-	18,876	18,876
Written off	-	(322,636)	(322,636)
Disposals	-	(653)	(653)
Exchange differences	993	56,547	57,540
	<hr/>	<hr/>	<hr/>
At 1 January 2018	48,208	574,452	622,660
Additions	-	-	-
Written off	-	-	-
Disposals	(48,208)	(580,010)	(628,218)
Exchange differences	-	6,287	6,287
	<hr/>	<hr/>	<hr/>
At 31 December 2018	-	729	729
	<hr/>	<hr/>	<hr/>
<b>Accumulated depreciation</b>			
At 1 January 2017	46,098	590,733	636,831
Charge for the year	1,163	55,073	56,236
Written off	-	(301,461)	(301,461)
Disposals	-	(107)	(107)
Exchange differences	947	46,973	47,920
	<hr/>	<hr/>	<hr/>
At 1 January 2018	48,208	391,211	439,419
Charge for the year	-	18,822	18,822
Written off	-	-	-
Disposals	(48,208)	(405,828)	(454,036)
Exchange differences	-	(3,955)	(3,955)
	<hr/>	<hr/>	<hr/>
At 31 December 2018	-	(250)	(250)
	<hr/>	<hr/>	<hr/>
<b>Net book value</b>			
At 31 December 2018	-	479	479
	<hr/>	<hr/>	<hr/>
At 31 December 2017	-	183,241	183,241

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

For the year ended 31 December 2018

**13. Investments**

The Group has invested in various financial assets which have been classified into four primary categories, as shown below. The classification of these financial assets determines how they are subsequently measured.

- Investments carried at fair value, through profit and loss ("FVTPL")
- Investments carried at fair value, through other comprehensive income ("FVTOCI")
- Held for trading investments, carried at fair value ("Trading")
- Loan receivables, carried at amortised cost ("Loan")

Set out below is the movement in investments:

	2018				Non-current
	FVTPL	FVTOCI	Trading	Loan	Total
	£	£	£	£	£
Balance at 1 January	122,258	484,818	-	-	607,076
Disposals/Write-off	(122,258)	(484,813)	-	-	(607,071)
Balance at 31 December	-	5	-	-	5

	2017				Non-current
	FVTPL	FVTOCI	Trading	Loan	Total
	£	£	£	£	£
Balance at 1 January	117,403	460,796	48,942	121,499	748,640
Disposals/Write-off	-	(26,789)	(50,966)	(126,519)	(204,274)
Repayments	-	(15,716)	-	-	(15,716)
Fair value adjustments	-	47,248	-	-	47,248
Foreign exchange differences	4,855	19,279	2,024	5,020	31,178
Balance at 31 December	122,258	484,818	-	-	607,076

Set out below is a comparison, by class, of the carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

	2018		2017	
	Carrying amount	Fair value	Carrying amount	Fair value
	£	£	£	£
<b>Financial assets</b>				
Non-current				
FVTPL	-	-	122,258	122,258
FVTOCI	5	5	437,570	484,818
	5	5	559,828	607,076



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

For the year ended 31 December 2018

**14. Trade and other receivables**

	2018 £	2017 £
Trade receivables	-	6,055,779
Other taxes and social security	1,377	2,301,713
Other receivables	3,726	132,241
Prepayments	1,633	431,484
Tax receivables	-	488,981
	<u>6,736</u>	<u>9,410,198</u>

Ageing of past due, but not impaired, trade receivables:

	2018 £	2017 £
Less than 60 days	-	5,402,682
60-90 days	-	-
90-120 days	-	591,311
Over 120 days	-	118,946
	<u>-</u>	<u>6,112,939</u>
Total	<u>-</u>	<u>6,112,939</u>

Movement in allowance for doubtful debts:

	2018 £	2017 £
Balance at 1 January	61,954	102,978
Impairment losses recognised	-	-
Impairment losses reversed	-	(45,281)
Foreign exchange differences	-	4,257
Transfer of debtors to third party	(61,954)	-
	<u>-</u>	<u>61,954</u>
Balance at 31 December	<u>-</u>	<u>61,954</u>

Ageing of impaired trade receivables:

	2018 £	2017 £
Over 120 days	-	57,160
	<u>-</u>	<u>57,160</u>
Total	<u>-</u>	<u>57,160</u>

## Sentrino LLP

### Notes to the consolidated financial statements (continued)

For the year ended 31 December 2018

#### 15. Deferred consideration

	2018 £	2017 £
Deferred consideration (see note 22)	39,784,806	-
Fair value movement on deferred consideration (see notes 22 and 23)	(7,948,510)	-
Fair value of deferred consideration	<u>31,836,296</u>	<u>-</u>

Deferred consideration has been recognised for the fair value of expected cash inflows receivable following the sale of the majority of Partnership's subsidiaries and business on 16 April 2018 (see note 22).

At the year end, the fair value of the deferred consideration has been assessed based upon the performance of the sold business in meeting the relevant conditions.

#### 16. Trade and other payables

	2018 £	2017 £
Trade creditors and accruals	124,968	5,946,798
Other taxes and social security	-	2,754,758
Other pensions	-	34,541
Other payables	1,675	-
	<u>126,643</u>	<u>8,736,097</u>

Trade creditors and accruals principally comprise amounts outstanding for trade purchases and ongoing costs.

#### 17. Financial instruments

##### Capital risk management

The capital structure of the Sentrino Group consists of equity attributable to members of the Partnership, comprising members' capital, reserves and retained earnings. The Sentrino Group manages its capital to ensure that entities in the Sentrino Group will be able to continue as going concerns.

##### Financial risk management objectives

The Sentrino Group's activities in the year exposed it to a number of financial risks, including cash flow risk, exchange rate risk, credit risk and liquidity risk. The Sentrino Group does not use financial derivative instruments for speculative purposes.

Key financial risks, following the sale of the majority of the Partnership's business during the year, were considered to be as follows:

##### *Cash flow and exchange rate risk*

Prior to the sale of the majority of its business in April 2018, the Group's fee income was mainly generated in Euro, while there was a significant Sterling cost base. To manage the risk the Group completed a regular review of its cash position and closely monitored the receipt of the management fees from assets under management and the cash requirements, in Euro and Sterling, of the various Group entities.

Since the sale, the Sentrino Group no longer has significant Sterling cash requirements and has undistributed cash deposits, in Euro, sufficient to meet its operating expenses as they fall due. Going forwards, any deferred consideration received and any distributions made will be in Euros. It is not expected that the Sentrino Group will be exposed to exchange rate risk arising from its ongoing operational activities and there is no intention to put any hedging in place.

**Notes to the consolidated financial statements (continued)**For the year ended 31 December 2018

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**17. Financial instruments (continued)*****Credit risk***

Since the sale (see note 22), the Group's assets comprise cash deposits, investments and a single material deferred receivable. Its credit risk at the year-end is primarily attributable to the deferred consideration receivable from the purchaser and its cash deposits.

The Partnership is exposed to the risk that any deferred consideration due from the sale of the majority of the business will not be paid when due. Due to the size, credit worthiness and financial standing of the purchaser, this risk is not considered significant. The credit worthiness of the purchaser will be monitored by the designated members on a regular basis.

The credit risk on liquid funds such as cash deposits was limited because the counterparties were banks with high credit-ratings assigned by international credit-rating agencies.

***Liquidity risk***

Following the sale of a majority of the business, the Sentrino Group has only limited operating expenses and has sufficient cash deposits to meet its operating expenses as they fall due. Before any distributions are made to members or additional investments are made a cash flow analysis will be undertaken to ensure that the Sentrino Group retains sufficient cash to meet its limited operating expenses for the foreseeable future.

The Group's contractual maturity dates for its non-derivative financial assets and liabilities with agreed payment periods are all within one month.

**Categories of financial instruments**

	2018 £	2017 £
<b>Financial assets</b>		
Cash and bank balances	2,387,803	13,474,015
Loans and receivables	3,726	6,188,020
Investments	-	607,076
<b>Financial liabilities</b>		
Financial liabilities at amortised cost	128,035	6,719,256
Retirement benefit obligations	-	655,026
	<u>          </u>	<u>          </u>

**18. Members' capital**

	2018 £	2017 £
Balance at 1 January and 31 December	<u>1,035,000</u>	<u>1,035,000</u>

Members' capital contributions are determined by the members having regard to the working and regulatory capital needs of the business.

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

For the year ended 31 December 2018

**19. Notes to the cash flow statement**

	2018 £	2017 £
Consolidated operating profit for the year from:		
Continuing operations	351,477	(239,385)
Discontinued operations	620,397	695,280
<b>Consolidated operating profit including discontinued operations</b>	<b>971,874</b>	<b>455,895</b>
Adjustments for:		
Amortisation of intangible assets (note 11)	-	83,530
Depreciation of property, plant and equipment (note 12)	17,816	56,236
Write-off of property, plant and equipment (note 12)	18,822	21,175
Gain on disposal of property, plant and equipment	-	(101)
Impairment loss reversed on trade receivables	-	(45,281)
Net foreign exchange difference	66	-
Finance cost	26,075	-
Adjustment to pension funding	-	(11,085)
Operating cash flows before movements in working capital	1,034,653	560,369
Decrease in receivables	-	(710,424)
(Increase) / Decrease in payables	(2,163,703)	2,501,356
<b>Cash flows from operations</b>	<b>(1,129,050)</b>	<b>2,351,301</b>
Interest received	-	126,486
Income taxes paid	-	(482,660)
<b>Net cash flows from operating activities</b>	<b>(1,129,050)</b>	<b>1,995,127</b>

**20. Operating leases**

At the year end, the Group had annual commitments under non-cancellable operating leases which fall due as follows:

	2018 £	2017 £
Not later than 1 year	-	1,015,352
Later than 1 year and not later than 5 years	-	1,936,561
Later than 5 years	-	153,544

Operating lease payments represented rentals payable by the Group for its office accommodation. Following the sale of the majority of the business in April 2018 (see note 22), the Sentrino Group no longer has any liability for operating lease payments.

# Sentrino LLP

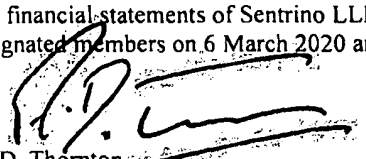
## Partnership balance sheet

At 31 December 2018

	Notes	2018 £	2017 £
<b>Non-current assets</b>			
Investment in subsidiaries	22	187,011	187,111
Deferred consideration	15	31,836,296	-
<b>Total non-current assets</b>		<b>32,023,307</b>	<b>187,111</b>
<b>Current assets</b>			
Trade and other receivables		1,634	121,745
Loans receivable from other Group entities		-	-
Amounts due from members		-	570,565
Cash and cash equivalents	24	2,297,826	478,581
<b>Total current assets</b>		<b>2,299,460</b>	<b>1,170,891</b>
<b>Total assets</b>		<b>34,322,767</b>	<b>1,358,002</b>
<b>Current liabilities</b>			
Trade and other payables	25	(111,153)	(665,237)
Loans due to other Group entities	25	(521,966)	(209,189)
Amounts due to members		(32,654,646)	-
<b>Total current liabilities</b>		<b>(33,287,767)</b>	<b>(874,426)</b>
<b>Total liabilities</b>		<b>(33,287,767)</b>	<b>(874,426)</b>
<b>Net assets</b>		<b>1,035,000</b>	<b>483,576</b>
<b>Members' equity</b>			
Members' capital		1,035,000	1,035,000
Reserves		-	(551,424)
<b>Total members' equity</b>		<b>1,035,000</b>	<b>483,576</b>
<b>Members' interests</b>			
Members' capital		1,035,000	1,035,000
Reserves		-	(551,424)
Loans due to members		32,654,646	(570,565)
<b>Total members' interests</b>		<b>33,689,646</b>	<b>(86,989)</b>

The notes on pages 38 to 43 form part of these financial statements.

The financial statements of Sentrino LLP (registered number OC327324) were approved and authorised for issue by the designated members on 6 March 2020 and signed on behalf of the members by:

  
A.D. Thornton  
Designated Member

## Sentrino LLP

### Partnership statement of changes in members' equity

For the year ended 31 December 2018

	Members' capital £	Reserves £	Total £	Loans and other debts due to members £	Total £
Balance at 1 January 2017	1,035,000	(551,424)	483,576	90,996	574,572
Total profit for the year for allocation among members	-	(96,119)	(96,119)	-	(96,119)
	-	96,119	96,119	(96,119)	-
Total profit allocated to members	-	-	-	(565,442)	(565,442)
Drawings					
Balance at 1 January 2018	1,035,000	(551,424)	483,576	(570,567)	(86,989)
Total profit for the year for allocation among members		54,537,300	54,537,300	-	54,537,300
Total profit allocated to members		(53,985,876)	(53,985,876)	53,985,876	-
Drawings				(20,760,663)	(20,760,663)
Balance at 31 December 2018	1,035,000	-	1,035,000	32,654,646	33,689,648

## Sentrino LLP

### Partnership cash flow statement

For the year ended 31 December 2018

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	Notes	2018 £	2017 £
Net cash from operating activities	26	22,579,908	483,460
Financing activities			
Interest paid		-	(95)
Payments to members		(20,760,663)	(564,870)
Net cash used in financing activities		(20,760,663)	(564,965)
Net increase/(decrease) in cash and cash equivalents		1,819,245	(81,505)
Cash and cash equivalents at beginning of year		478,581	560,086
Cash and cash equivalents at end of year		2,297,826	478,581

## Sentrino LLP

### Notes to the Partnership financial statements

For the year ended 31 December 2018

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#### 21. Significant accounting policies

The separate financial statements of the Partnership are presented as required by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006). As permitted by that Act, the separate financial statements have been prepared in accordance with International Financial Reporting Standards adopted by the European Union (IFRS). The Partnership is taking advantage of the exemption under s408 from preparing the stand alone Partnership's income statement when presented with the Group's financial statements. The amount of profit dealt with in the accounts of the Partnership is £54,537,300 (2017: Profit of £96,119).

The financial statements have been prepared on the historical cost basis. The principal accounting policies adopted are the same as those set out in note 2 to the consolidated financial statements except as noted below.

##### *Investments in subsidiaries*

Investments in subsidiaries are stated at cost less any provision for impairment. On an annual basis, the Partnership assesses if there are any indicators of impairment by comparing the net asset value of each subsidiary to its carrying amount. If the net asset value is lower than the carrying amount, the Partnership assesses if the investment is impaired. If the recoverable amount of the investment is estimated to be less than its carrying amount, the carrying amount of the investment is reduced to its recoverable amount and an impairment loss is recognised immediately in the statement of comprehensive income.

An impairment loss is reversed if, and only if, there has been a change in the estimates used to determine the investment's recoverable amount since the last impairment loss was recognised.

#### 22. Investment in subsidiaries

Details of the Partnership's subsidiaries at 31 December 2018 are as follows:

	Place of incorporation (or registration) and operation	Proportion of voting power and ownership interest and held	
		2018	2017
Sentrino General Partner Limited (formerly INTERNOS Securities General Partner Limited)	United Kingdom	100%	100%
Sentrino Management Limited (formerly INTERNOS Management Limited)*	United Kingdom	100%	100%
Sentrino Investments Limited (formerly INTERNOS Global Investments Limited)	United Kingdom	100%	100%
Sentrino Capital Limited (formerly INTERNOS Capital Investment Limited)*	United Kingdom	100%	100%
Eilean Donan & Co KG	Germany	94%	94%
INTERNOS GmbH	Germany	100%	100%

The investments in subsidiaries are all stated at cost, less any provisions for impairment.

\* This subsidiary is exempt from audit by virtue of the exemptions provided by S479A of the Companies Act 2006.



## Sentrino LLP

### Notes to the Partnership financial statements

For the year ended 31 December 2018

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#### 22. Investment in subsidiaries (continued)

	2018 £
<b>Cost</b>	
At 1 January 2018	
Internos Holdings Limited	100
Sentrino Capital Limited (formerly INTERNOS Capital Investment Limited)	147,141
Sentrino Management Limited (formerly INTERNOS Management Limited)	39,870
	<u>187,111</u>
<b>Disposals</b>	
Internos Holdings Limited	(100)
At 31 December 2018	<u>187,011</u>
<b>Net book value</b>	
At 31 December 2018	<u>187,011</u>
At 31 December 2017	<u>187,111</u>