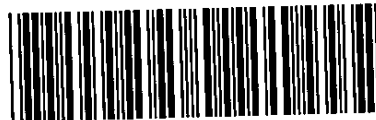


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Registration No. OC417447

**SIONIC ADVISORS GLOBAL HOLDINGS LLP**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2017**

MONDAY



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COMPANIES HOUSE

## **SIONIC ADVISORS GLOBAL HOLDINGS LLP**

### **DESIGNATED MEMBERS AND ADVISORS**

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#### **Members**

C L Sher (designated)  
H S Sidhu (designated)  
C M Crowe  
K Bigelow  
J Buonpastore  
J Cataldo  
D Cenci  
J Denci  
J Millard  
Sisval LLC  
P Vallejo  
Angel Park LLC  
C&C Cataldo Enterprises LLC  
Capcro Inc  
Capitalize Change  
JLB Consulting Group Inc  
Manasquan River LLC  
New Shore Advisors LLC  
Princeton Structured Intelligence LLC  
X J M Pujos  
XP 49 Ltd  
E Salcines  
J Byrne  
Salsa LLC  
Jeb Consulting Services

#### **Registered office**

2nd Floor St Magnus House  
Lower Thames Street  
London  
EC3R 6HD

#### **Auditors**

RSM UK Audit LLP  
Chartered Accountants  
25 Farringdon Street  
London  
United Kingdom  
EC4A 4AB

#### **Bankers**

Royal Bank of Canada  
Royal Bank Plaza  
200 Bay Street  
Toronto, Ontario  
M5J 2W7

Chase Business Banking  
925 Westchester Avenue  
Suite 300  
White Plains  
NY 10604  
Arbuthnot Latham & Co , Limited

Arbuthnot House  
7 Wilson Street  
London  
EC2M 2SN

## **SIONIC ADVISORS GLOBAL HOLDINGS LLP MEMBERS' REPORT**

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The members present their report and the audited financial statements for the year ended 31 December 2017. The Limited Liability Partnership ("LLP") was incorporated on 22 May 2017.

### **Principal activities**

The principal activity of the Sionic Advisors Global Holdings LLP is that of a holding Limited Liability Partnership.

The principal activity of the group is that of providing consultancy services principally to banks and other financial institutions. The group has branches outside the UK in Spain and Switzerland.

### **Results for the year and allocation to members**

The members consider the results for the year to be satisfactory given the developments in the year. The consolidated profit for the year before members' remuneration and profit allocations was \$4,511,282 (2016: \$1,954,609). Net assets at the year end amounted to \$2,203,627 (2016: \$1,184,171).

### **Going concern**

For the year to 31 December 2017, the group made a profit and at the balance sheet date had net assets. The group is a going concern with multiple client relationships of long standing which means that it has more than sufficient resources to meet its liabilities. For this reason, the members continue to adopt the going concern basis in preparing the financial statements.

### **Designated Members**

The following were designated members of the limited liability partnership during the year and, unless otherwise stated, continued to be members after that date.

C L Sher  
H S Sidhu

(appointed 22 May 2017)  
(appointed 22 May 2017)

### **Qualifying third party indemnity provisions**

The LLP has made qualifying third party indemnity provisions for the benefit of its designated members during the year. These provisions remain in force at the reporting date.

### **Policy with respect to members' drawings and subscription and repayments of amounts subscribed or otherwise contributed by members**

Members are permitted to make drawings based on their allocation of historical profits, anticipation of future profits, working capital requirements and cash flow considerations. The amounts of such drawings is determined on a regular basis.

The profit of the LLP is automatically (expressed or implied) divided between the members at the end of the accounting period, as a result, the amount is charged as an expense and treated as a liability. The policies in relation to losses exist and are covered in the LLP agreement dated 1 June 2017.

Each Partner will contribute such amount to the capital of the LLP as determined in accordance with the provisions of the Remuneration, Capital and Loan Contribution Schedule. The Partners are not entitled to any interest on the contribution made by him to the capital of the LLP.

## **SIONIC ADVISORS GLOBAL HOLDINGS LLP MEMBERS' REPORT**

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### **Statement of disclosure to auditors:**

- in so far as each of the members is aware, there is no relevant audit information of which the partnership's auditor is unaware, and
- the members have taken all steps that they ought to have taken as members in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

### **Auditor**

RSM UK Audit LLP was **appointed** as auditor to the Limited liability partnership during the year and was indicated its wiliness to continue in office. In accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a members meeting.

On behalf of the members



C L Sher  
Designated member

8 September 2018

## **SIONIC ADVISORS GLOBAL HOLDINGS LLP MEMBERS' RESONSIBILITY IN THE PREPARATION OF FINANCIAL STATEMENTS**

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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 Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 (the 2008 Regulations) requires 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws).

Under the 2008 Regulations 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 of the group and the LLP and profit or loss of the group 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 estimates that are reasonable and prudent, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the LLP will continue in business.

Under the 2008 Regulations the members are responsible for keeping adequate accounting records that are sufficient to show and explain the group and the LLP's transactions and disclose with reasonable accuracy at any time the financial position of the group and the LLP and enable them to ensure that the financial statements comply with the 2008 Regulations. They are also responsible for safeguarding the assets of the group and the LLP and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

These responsibilities are exercised by the designated members on behalf of the members.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SIONIC ADVISORS GLOBAL HOLDING LLP**

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

We have audited the financial statements of Sionic Advisors Global Holdings LLP (the 'parent limited liability partnership') and its subsidiaries (the 'group') and for the year ended 31 December 2017 which comprise statements for consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of financial position, the limited liability partnership statement of financial position, the consolidated cash flow statement and the related notes including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102, 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent limited liability partnership's affairs as at 31 December 2017 and of the group's profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including FRS 102, 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland', and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group's and parent 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.

### **Other matter - Prior period financial statements not audited**

The group was exempt from audit in the year ended 31 December 2016 and consequently the corresponding figures are unaudited.

### **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 group's and parent 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 annual report, 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, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SIONIC ADVISORS GLOBAL HOLDING LLP**

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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 where the Companies Act 2006, as applied to LLPs by the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008, requires us to report to you if, in our opinion

- adequate accounting records have not been kept the parent limited liability partnership, or returns adequate for our audit have not been received from branches not visited by us; or
- the group and parent limited liability partnership's 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

### **Respective responsibilities of members**

As explained more fully in the statement of members' responsibilities in respect of the financial statements set out on page 4, 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 group's and parent 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 directors either intend to liquidate the company 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: <http://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 limited liability partnership's 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 limited liability partnership'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 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.

*RSM UK Audit LLP*

Christopher Tate (Senior Statutory Auditor)  
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor  
Chartered Accountants  
25 Farringdon Street  
London  
EC4A 4AB  
10 September 2018

**SIONIC ADVISORS GLOBAL HOLDINGS LLP**  
**CONSOLIDATED INCOME STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

		2017 \$	Unaudited 2016 \$
<b>Turnover</b>	<b>Notes</b> 1	21,279,476	16,342,606
Cost of sales		(13,028,798)	(12,525,198)
		<hr/>	<hr/>
<b>Gross profit</b>		8,250,678	3,817,408
Administrative expenses		(3,446,156)	(1,862,799)
		<hr/>	<hr/>
<b>Operating profit</b>	2	4,804,522	1,954,609
Interest payable and similar charges	4	(34,128)	-
		<hr/>	<hr/>
<b>Profit on ordinary activities before taxation</b>		4,770,394	1,954,609
Tax on profit ordinary activities in corporate subsidiaries	5	(259,112)	-
		<hr/>	<hr/>
<b>Profit for the financial year before members' remuneration and profit allocations</b>		4,511,282	1,954,609
Members' remuneration charged as an expense	6	(4,511,282)	(1,954,609)
		<hr/>	<hr/>
<b>Result for the year available for discretionary division among members</b>		<hr/> -	<hr/> -

The above all relate to continuing operations

The accounting policies and notes on pages 15 to 24 form part of these financial statements



**SIONIC ADVISORS GLOBAL HOLDINGS LLP**  
**CONSOLIDATED STATEMENT OF TOTAL COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

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	2017	Unaudited 2016
	\$	\$
Result for the financial year available for discretionary division among members	-	-
Other comprehensive income:		
Exchange translation differences	7,416	-
	<u>7,416</u>	<u>-</u>
<b>Total comprehensive income</b>	<u>7,416</u>	<u>-</u>

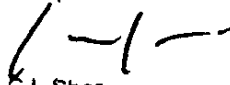
The accounting policies and notes on pages 15 to 24 form part of these financial statements

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**SIONIC ADVISORS GLOBAL HOLDINGS LLP**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**31 DECEMBER 2017**

		2017 \$	Unaudited 2016 \$
	<i>Notes</i>		
<b>Current assets</b>			
Debtors due within one year	8	5,240,028	2,507,804
Cash at bank and in hand		1,185,323	1,218,125
		<u>6,425,351</u>	<u>3,725,929</u>
<b>Creditors</b>			
Amounts falling due within one year	9	(4,221,724)	(2,541,758)
<b>Net current assets</b>		<u>2,203,627</u>	<u>1,184,171</u>
<b>Net assets attributable to members</b>		<u>2,203,627</u>	<u>1,184,171</u>
<b>Represented by:</b>			
<b>Loans and other debts due to members</b>			
Other amounts		2,196,211	1,184,171
<b>Equity</b>			
Member's other interests-other reserves classified as equity		7,416	-
		<u>2,203,627</u>	<u>1,184,171</u>
<b>Total members' interests</b>			
Loans and other debts due to members		2,196,211	1,184,171
Amounts due from members		(79,074)	(30,000)
Member's other interests		7,416	-
		<u>2,124,553</u>	<u>1,154,171</u>

The financial statements on pages 7 to 24 were approved by the members and authorised for issue on 7 September 2018 and are signed on their behalf by

  
C L Sher  
Designated member

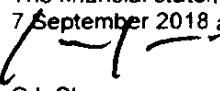
The accounting policies and notes on pages 15 to 24 form part of these financial statements

**SIONIC ADVISORS GLOBAL HOLDINGS LLP**  
**LIMITED LIABILITY PARTNERSHIP STATEMENT OF FINANCIAL POSITION**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

	Notes	2017 \$
<b>Fixed assets</b>		
Investments	7	5,000
<b>Current assets</b>		
Debtors due within one year	8	21,000
<b>Creditors</b>		
Amounts falling due within one year	9	(5,000)
<b>Net current assets</b>		<u>16,000</u>
<b>Total assets less current liabilities</b>		<u>21,000</u>
<b>Represented by:</b>		
<b>Loans and other debts due to members</b>		
Members' capital classified as a liability		<u>21,000</u>
<b>Total members' interests</b>		
Loans and other debts due to members		21,000
Amounts due from members		<u>(21,000)</u>
		<u>-</u>

A separate statement of comprehensive income for the LLP has not been presented in accordance with the exemption given by section 408 of the Companies Act 2006 as applied to limited liability partnerships. The profit before members' remuneration and profit allocations dealt with in the financial statements of the parent entity was \$nil

The financial statements on pages 7 to 24 were approved by the members and authorised for issue on 7 September 2018 and are signed on their behalf by

  
C L Sher  
Designated member

The accounting policies and notes on pages 15 to 24 form part of these financial statements

**SIONIC ADVISORS GLOBAL HOLDINGS LLP**  
**CONSOLIDATED STATEMENT OF CASHFLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

	Notes	2017 \$	Unaudited 2016 \$
<b>Operating activities</b>			
Cash used in operations	15	1,894,069	2,191,217
Interest paid		(34,128)	-
Income tax paid		(129,917)	-
Net cash used in operating activities		<u>1,730,024</u>	<u>2,191,217</u>
Net cash used in investing activities		<u>-</u>	<u>-</u>
<b>Financing activities</b>			
Payment to members		(3,520,242)	(1,629,984)
Net cash generated from/ (used in) financing activities		<u>(3,520,242)</u>	<u>(1,629,984)</u>
<b>Net Decrease in cash and cash equivalents</b>		<u>(1,790,218)</u>	<u>561,233</u>
Analysis of changes in cash balances			
Cash and cash equivalents at the beginning of the year		1,218,125	656,892
Decrease in cash during the year		(1,790,218)	561,233
Translation differences		<u>7,416</u>	<u>-</u>
Cash and cash equivalents at the end of the year		(564,677)	1,218,125
<b>Relating to:</b>			
Cash at bank and in hand		1,185,323	1,218,125
Bank overdrafts included in creditors payable within one year		<u>(1,750,000)</u>	<u>-</u>

**SIONIC ADVISORS GLOBAL HOLDINGS LLP**  
**RECONCILIATION OF MEMBERS' INTERESTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

RECONCILIATION OF MEMBERS' INTERESTS

Group

	EQUITY Members' other interests (see note 13)	DEBT Loans and other debts due to members less any amounts due from members in debtors Other Amounts \$	TOTAL MEMBERS' INTERESTS \$
Amounts due to members		1,184,171	
Balance at 1 January 2017	-	(30,000)	1,154,171
Members remuneration charged as an expense	-	4,511,282	4,511,282
Members interest after profit for the year	-	5,665,453	5,665,453
Loan to members	-	(49,074)	(49,074)
Introduced by members	-	21,000	21,000
Payments to members	-	(3,520,242)	(3,520,242)
FX revaluation of foreign subsidiaries' assets and liabilities	7,416	-	7,416
Amounts due to members	-	2,196,211	2,196,211
Amounts due from members	-	(79,074)	(79,074)
Balance at 31 December 2017	7,416	2,117,137	2,124,553

**SIONIC ADVISORS GLOBAL HOLDINGS LLP**  
**RECONCILIATION OF MEMBERS' INTERESTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

RECONCILIATION OF MEMBERS' INTERESTS – PRIOR YEAR

Group	DEBT Loans and other debts due to members less any amounts due from members in debtors Other Amounts \$	TOTAL MEMBERS' INTERESTS \$
Amounts due to members	889,546	
Amounts due from members	(30,000)	
Balance at 1 January 2016	859,546	859,546
Members remuneration charged as an expense	1,954,609	1,954,609
Members interest after profit for the year	2,814,155	2,814,155
Payments to members	(1,629,984)	(1,629,984)
Amounts due to members	1,184,171	1,184,171
Amounts due from members	(30,000)	(30,000)
Balance at 31 December 2016	1,154,171	1,154,171

**SIONIC ADVISORS GLOBAL HOLDINGS LLP**  
**RECONCILIATION OF MEMBERS' INTERESTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

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**RECONCILIATION OF MEMBERS' INTERESTS**

LLP Only

	DEBT Loans and other debts due to members less any amounts due from members in debtors Other Amounts \$	TOTAL MEMBERS' INTERESTS \$
Balance on incorporation	-	-
Members remuneration charged as an expense	-	-
Members interest after profit/(loss) for the year	-	-
Introduced by members	21,000	21,000
Unpaid members' capital	(21,000)	(21,000)
Amounts due to members	21,000	21,000
Amounts due from members	(21,000)	(21,000)
Balance at 31 December 2017	-	-

# **SIONIC ADVISORS GLOBAL HOLDINGS LLP** **NOTES TO THE FINANCIAL STATEMENTS** **FOR THE YEAR ENDED 31 DECEMBER 2017**

## **General information**

Sionic Advisors Global Holdings LLP is a limited liability partnership and is incorporated in England and Wales. The Limited liability partnership was incorporated on 22 May 2017. The address of Sionic Advisors Global Holdings LLP's registered office is 2nd Floor, St Magnus House, 3 Lower Thames Street, London, England, EC3R 6HD.

The group consists of Sionic Advisors Global Holdings LLP and all of its subsidiaries.

The LLP's and the group's principal activities are disclosed in the Member's Report.

## **Basis of accounting**

These financial statements have been prepared in accordance with the Statement of Recommended Practice "Accounting by Limited Liability Partnerships" issued in January 2017, together with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The consolidated financial statements are prepared in US Dollars, which is also the functional currency of the limited liability partnership. Monetary amounts in these financial statements are rounded to the nearest \$.

The exchange rates used for translation of Canadian Dollars ("CAD"), Swiss Franc ("CHF"), EURO, and Sterling ("GBP") transactions and balances in these financial statements are as follows:

	2017	2017	2017	2017
	CAD	CHF	EURO	GBP
	Rate	Rate	Rate	Rate
Profit and loss account (average rate)	0.76776	1.02420	1.19786	1.29687
Balance sheet (year end rate)	0.76776	1.02420	1.19786	1.29687

## **Reduced disclosures – LLP only**

In accordance with FRS 102, Sionic Advisors Global Holdings LLP has taken advantage of the exemptions from the following disclosure requirements of the LLP only:

- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flow and related notes and disclosures
- Section 11 'Basic Financial Instruments' & Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument
- Section 33 'Related Party Disclosures' – Compensation for key management personnel

## **Basis of consolidation**

The consolidated financial statements incorporate those of Sionic Advisors Global Holdings LLP and all of its subsidiaries (i.e. entities that the Group controls through its power to govern the financial and operating policies so as to obtain economic benefits). All financial statements are made up to 31 December 2017.

Sionic Advisors Global Holdings LLP was incorporated on 22 May 2017 to act as the parent entity for entities having the same members with the same proportional interests in each entity and the relative interests of the members have been maintained in the parent. The members consider that the arrangement qualifies as a group reconstruction under FRS 102 and that the conditions for the use of merger accounting have been met. They therefore consider it appropriate to present consolidated information for the group as if the new legal structure had always existed.



## **SIONIC ADVISORS GLOBAL HOLDINGS LLP**

### **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 31 DECEMBER 2017**

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#### **Basis of consolidation (continued)**

Accordingly, assets and liabilities of the subsidiary undertakings and the results and cash flows have been included in the consolidated accounts as if Sionic Advisors Global Holdings LLP had always been the parent undertaking of the group. Under merger accounting, the carrying values of the assets and liabilities of the parties to the combination are not required to be adjusted to fair value, although appropriate adjustments are required to achieve uniformity of accounting policies.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

#### **Going concern**

The group's business activities, performance and position are set out in the review of the business in the member's report.

The group is a going concern with multiple client relationships of long standing which means that it has more than sufficient resources to meet its liabilities. For this reason the members continue to adopt the going concern basis in preparing the financial statements.

#### **Turnover**

Advisory fees are recognised on an accruals basis and in line with agreements in place. Revenue from fixed price contracts for the provision of services is recognised by reference to the stage of completion. The stage of completion is calculated by comparing costs incurred as a proportion of total costs. Income is recognised once the invoice has been issued. Turnover is shown net of Value Added Tax.

Revenue is net of disbursements recharged to customers and cost of sales includes disbursements which are irrecoverable from customers.

#### **Fixed asset investments**

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the LLP. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

#### **Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown in current liabilities.

#### **Financial instruments**

The LLP has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial assets are recognised in the group's statement of financial position when the group becomes party to the contractual provisions of the instrument.

Financial assets are classified into either basic or other financial assets. The classification depends on certain criteria determined at the time of recognition.

#### **Basic financial assets**

Basic financial assets, which include trade, other debtors, amounts due from members and group undertakings are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost being the transaction price less any amounts settled and any impairment losses.

## **SIONIC ADVISORS GLOBAL HOLDINGS LLP**

### **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 31 DECEMBER 2017**

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#### **Financial instruments (continued)**

##### *Impairment of financial assets*

Financial assets are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in profit or loss.

##### *Derecognition of financial assets*

Financial assets are derecognised 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 to another entity.

#### **Financial liabilities**

Financial liabilities are classified as either basic or other financial liabilities.

##### *Basic financial liabilities*

Basic financial liabilities including trade, other payables, bankline of credit, amounts due to group undertakings and accruals, are initially measured at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. They are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

##### *Derecognition of financial liabilities*

Financial liabilities are derecognised when, and only when, the group's obligations are discharged, cancelled, or they expire.

#### **Leases**

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease.

#### **Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the LLP is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **Retirement benefits**

##### *Defined contribution plans*

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

#### **Taxation**

The charge for taxation is based on the profit for the year of the group companies.

The taxation payable on the partnership profits is solely the personal liability of the individual members consequently neither the partnership taxation nor the related deferred taxation arising in respect of the partnership are accounted for in these financial statements.

## **SIONIC ADVISORS GLOBAL HOLDINGS LLP**

### **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 31 DECEMBER 2017**

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#### **Members' participation rights**

Members' participation rights are the rights of a member against the LLP that arise under the members' agreement (for example, in respect of amounts subscribed or otherwise contributed remuneration and profits)

Members' participation rights in the earnings or assets of the LLP are analysed between those that are, from the LLP's perspective, either a financial liability or equity, in accordance with section 22 of FRS 102. A member's participation rights including amounts subscribed or otherwise contributed by members, for example members' capital, are classed as liabilities unless the LLP has an unconditional right to refuse payment to members, in which case they are classified as equity

Profits are automatically divided as they arise, so the LLP does not have an unconditional right to refuse payment and the amounts arising that are due to members are in the nature of liabilities. They are therefore treated as an expense and presented as members remuneration charged as an expense in arriving at the result for the relevant year. To the extent that they remain unpaid at the period end, they are shown as liabilities.

The largest entitlement is calculated as an allocation of profits using an agreed points system after all other allocations of profits to partners have been made

Other amounts applied to members, for example remuneration paid under an employment contract and interest on capital balances, are treated in the same way as all other divisions of profits, as described above, according to whether the LLP has, in each case, an unconditional right to refuse payment. Amounts payable to members under employment contracts and unavoidable interest on members' capital are charged to "members remuneration charged as an expense" in the relevant year.

All amounts due to members that are classified as liabilities are presented within 'Loans and other debts due to members' and, where such an amount relates to current year profits or losses, they are recognised within 'Members' remuneration charged as an expense' in arriving at the relevant year's result. Undivided amounts that are classified as equity are shown within 'Members' other interests'. Amounts recoverable from members are presented as debtors and shown as amounts due from members within members' interests.

Where there exists an asset and liability component in respect of an individual member's participation rights, they are presented on a gross basis unless the LLP has both a legally enforceable right to set off the recognised amounts, and it intends either to settle on a net basis or to settle and realise these amounts simultaneously, in which case they are presented net

The members' participation rights that are classified as liabilities are repayable upon demand, or at short notice (e.g. upon termination of membership), and as such whilst they are financing transactions, the effect of discounting is considered immaterial and so they are not discounted to present value

Members are permitted to make drawings based on their allocation of historical profits, anticipation of future profits, working capital requirements and cash flow considerations. The amounts of such drawings is determined on a regular basis

#### **Foreign currencies**

Transactions in currencies other than the functional currency (foreign currencies) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income

# **SIONIC ADVISORS GLOBAL HOLDINGS LLP** **NOTES TO THE FINANCIAL STATEMENTS** **FOR THE YEAR ENDED 31 DECEMBER 2017**

## **Critical accounting estimates and judgements**

Estimates and judgements 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.

The group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The critical areas of judgement are detailed below.

### *Impairment of assets*

Financial and non-financial assets are subject to impairment reviews based on whether current or future events and circumstances suggest that their recoverable amount may be less than their carrying value. Recoverable amount is based on the higher of the value in use and fair value less costs to dispose. Value in use is calculated from expected future cash flows using suitable discount rates and includes management assumptions and estimates of future performance.

### *Operating lease commitments*

In categorising leases as finance leases or operating leases, management makes judgements as to whether significant risks and rewards of ownership have transferred

## **1 Turnover**

The group's turnover is derived from its principal activity

Analysis of the group's turnover is as follows

	2017	2016
	\$	\$
United States	15,153,786	14,739,110
Canada	3,193,569	1,047,730
United Kingdom	2,220,725	555,766
Switzerland	687,750	-
Spain	23,646	-
	<u>21,279,476</u>	<u>16,342,606</u>

## **2 Operating profit**

Operating profit is stated after charging:

	2017	2016
	\$	\$
Operating lease costs	251,413	74,740
Foreign exchange loss	23,722	25,475
Auditor's remuneration		
- audit of the consolidated financial statements	30,000	-
Other services		
- Accounts preparation of the group	4,500	-
	<u></u>	<u></u>

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**3 Employees**

Staff costs in the year were as follows:

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Wages and salaries	6,073,283	4,063,529
Social security costs	561,559	384,503
Pension costs	8,682	-
	<u>6,643,524</u>	<u>4,448,032</u>

The average number of persons, excluding members, employed by the Group and LLP during the year:

	<b>2017</b>	<b>2016</b>
	<b>No</b>	<b>No</b>
Management personnel	1	-
Consultants	51	34
Administrative staff	6	3
	<u>58</u>	<u>37</u>

**4 Interest payable and similar expenses**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Interest on financial liabilities measured at amortised cost		
Bank interest	34,128	-
	<u>34,128</u>	<u>-</u>

**5 Taxation**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Current tax		
UK corporation tax on profits of the year	29,919	-
<b>Total UK current tax</b>	<u>29,919</u>	<u>-</u>
Foreign current tax on profit for the current period	229,193	-
<b>Total current tax</b>	<u>259,112</u>	<u>-</u>

**6 Members' remuneration**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Amounts arising from participation rights that give rise to a liability:		
Non-discretionary profit allocations to members and guaranteed payments	4,511,282	1,954,609
	<u>4,511,282</u>	<u>1,954,609</u>

The non-discretionary profit allocation shown above is the automatic division of the result for the year that is treated as remuneration as there is no discretion over its payment.

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**6 Members' remuneration (continued)**

	<b>2017</b>	<b>2016</b>
	<b>No</b>	<b>No</b>
The average number of members during the year was	7	3
	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
The average profit per member during the year was	644,469	651,536
	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
The share of profit to the members with the largest entitlement was	668,614	651,536

**7 Investments**

<b>LLP</b>	<b>Investments in subsidiary undertakings \$</b>
Cost and net book value.	
On incorporation and at 31 December 2017	5,000

The LLP's subsidiary undertakings which are included within the group consolidation are as follows

<b>Name of undertakings</b>	<b>Nature of business</b>	<b>% Held Interest</b>	
		<b>Direct</b>	<b>Indirect</b>
Sionic Advisors (European Branches) LLP	provide consultancy services	100%	
Sionic Advisors (UK) LLP	provide consultancy services	100%	
Sionic Advisors (SINGAPORE) LLP	Dormant	100%	
Sionic Advisors (US) LLP	provide consultancy services	100%	
Sionic Advisors (Canada) LLP	provide consultancy services	100%	
Sionic European Holdings Limited	provide consultancy services		100%
Sionic Advisors Europe Limited	provide consultancy services		100%
Sionic Advisors Inc	provide consultancy services		100%
Sionic Advisors LP	provide consultancy services		99%

The registered office address of LLP's direct holding subsidiary undertakings, Sionic European Holdings Limited and Sionic Advisors Europe Limited is 2nd Floor, St Magnus House, 3 Lower Thames Street, London, England, EC3R 6HD

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**Investments (continued)**

Sionic Advisors Inc is indirectly held through the investment in Sionic Advisors (Canada) LLP. Sionic Advisors (Canada) LLP was incorporated on 25 May 2017 and owns 100% of the Ordinary Share Capital of Sionic Advisors Inc. The registered office address of Sionic Advisors Inc is 8 King Street, Suite 838, Toronto, ON, M5C 1B5.

Sionic Advisors LP is indirectly held through the investment in Sionic Advisors (US) LLP. Sionic Advisors (US) LLP was incorporated on 25 May 2017 and owns 99% of the Ordinary Share Capital of Sionic Advisors LP. The registered office address of Sionic Advisors LP is 15 Exchange Place, Suite 500, Jersey City, NJ, 07302.

Sionic Advisors Europe Limited is indirectly held through the investment in Sionic Advisors (UK) LLP. Sionic Advisors (UK) LLP was incorporated on 25 May 2017 and owns 100% of the Ordinary Share Capital of Sionic Advisors Europe Limited.

Sionic European Holdings Limited was incorporated on 24 April 2017 and is indirectly held through the investment in Sionic Advisors (European Branches) LLP. Sionic Advisors (European Branches) LLP was incorporated on 25 May 2017 and owns 100% of the Ordinary Share Capital of Sionic European Holdings Limited.

Sionic Advisors (European Branches) LLP (co. no. 417507), Sionic Advisors (UK) LLP (co. no. 417511), Sionic Advisors (SINGAPORE) LLP (co. no. 419288), Sionic Advisors (US) LLP (co. no. 417509), Sionic Advisors (Canada) LLP (co. no. 417508), Sionic Advisors Europe Limited (co. no. 09762818), Sionic European Holdings Limited (co. no. 10736768), Sionic Advisors Inc (co. no. 002438457), and Sionic Advisors LP (Employer ID 61-1777492) are exempt from the requirement for audit under section 479A of the Companies Act 2006.

**8 Debtors**

	<b>Consolidated</b>		<b>LLP</b>
	<b>2017</b>	<b>2016</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Amounts due within one year			
Trade debtors	4,583,044	2,159,583	-
Other debtors	462,550	277,101	-
Amount due from group undertakings	-	-	-
Amounts due from members	79,074	30,000	21,000
Prepayments and accrued income	115,360	41,120	-
	<u>5,240,028</u>	<u>2,507,804</u>	<u>21,000</u>

**9 Creditors: Amounts falling due within one year**

	<b>Consolidated</b>		<b>LLP</b>
	<b>2017</b>	<b>2016</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Bankline of credit	1,750,000	-	-
Trade creditors	1,380,593	993,419	-
Amounts owed to group undertakings	-	-	5,000
Other taxation and social security	247,854	153,146	-
Other creditors	42,711	1,429	-
Accruals and deferred income	800,566	1,393,764	-
	<u>4,221,724</u>	<u>2,541,758</u>	<u>5,000</u>

The bankline of credit is secured over the trade debtors of Sionic Advisors LLP, a subsidiary undertaking.

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**10 Financial instruments**

	Group 2017 \$	2016 \$
Carrying amount of financial assets		
Debt instruments measured at amortised cost	5,124,668	2,466,684

	Group 2017 \$	2016 \$
Carrying amount of financial liabilities		
Measured at amortised cost	2,223,870	2,388,612

**11 Retirement benefit schemes**

Defined contribution schemes

The group makes contributions to certain employees' personal pension plans. The pension cost for the year was \$8,682 (2016: \$nil). Contributions of \$8,682 (2016: \$nil) were outstanding at the year end and are included in creditors.

**12 Related party transactions**

The remuneration of key management personnel is as follows:

	Group 2017 \$	Group 2016 \$
Aggregate compensation	1,719,551	1,302,873

The LLP and the group have taken advantage of the exemption conferred by FRS 102 section 33 that wholly owned subsidiary undertakings whose voting rights are controlled within the group need not disclose transactions with other group companies.

Transactions with 99% owned subsidiary undertakings were not disclosed on the basis that the amounts of transactions with 1% subsidiary undertakings owned outside the group are not material.

**Entities under common control:**

Amounts due from entities under common control

- Sionic Advisors Financial Services LLC	\$1,500 (2016: \$nil)
- Sionic Advisors LLC	\$132,485 (2016: \$217,870)

These balances are shown gross within other debtors.

Sionic Advisors LLC received \$4,781,792 on behalf of the group during the year and paid \$5,004,478 to the group.



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**13 Members' interest**

In the event of winding up, members' other reserves rank after unsecured creditors and loans and other debts due to members ranking pari passu with unsecured creditors.

Members' interests represent the following amounts:

**Other reserves**

Amounts related to foreign exchanges revaluation of foreign subsidiaries' assets and liabilities

**Loans and other debts due to members less any amounts due from members**

Amounts represent automatic division of profit, amounts contributed by the members, guaranteed payments and drawings allocated to members.

**14 Commitments under operating leases**

**Leasee**

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating lease, which fall due as follows:

	<b>Group</b>		<b>LLP</b>
	<b>2017</b>	<b>2016</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Within one year	246,473	141,806	-
Between one and five years	666,218	749,144	-
	<u>940,464</u>	<u>890,950</u>	<u>-</u>

**15 Reconciliation of operating profit to net cash inflow from operating activities**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Profit for the year before members' remuneration	4,511,282	1,954,609
Finance costs	34,128	-
Income tax expense	259,112	-
Operating cash flow before movement in working capital	<u>4,804,522</u>	<u>1,954,609</u>
(Increase) in debtors	(2,711,223)	(477,579)
(Decrease)/increase in creditors	(199,230)	714,187
<b>Net cash used in operations</b>	<u><u>1,894,069</u></u>	<u><u>2,191,217</u></u>

**16 Controlling party**

There is no ultimate controlling party of Sionic Advisors Global Holdings LLP as no one member alone has controlling interest