

Sanctum FI LLP
Report And Financial Statements
31 March 2017

Rees Pollock
Chartered Accountants



INFORMATION

Designated Members	A J Mayhew S Mellor Sanctum Fixed Income Limited
Members	J H Corn CZI II-Sanctum Holdings, Ltd
Registered office	12 Hay Hill London W1J 8NR
Independent auditor	Rees Pollock 35 New Bridge Street London EC4V 6BW
Bankers	HSBC plc 88 The Broadway Muswell Hill London N10 3RX
Solicitors	Iliad Consulting LLP 18b Charles Street London W1J 5DU
LLP registered number	OC304321

MEMBERS' REPORT

For the Year Ended 31 March 2017

The members present their annual report together with the audited financial statements of Sanctum FI LLP (the LLP) for the year ended 31 March 2017.

Principal activities

The principal activity of the LLP during the year was that of fund management. The members intend to continue to develop the business.

Members

The following were members during the year (* symbolises designated members):

A J Mayhew*
S Mellor*
Sanctum Fixed Income Limited*
J H Corn
CZI II-Sanctum Holdings, Ltd

Policy with regard to members' drawings and subscriptions and repayment of members' capital

Members share profits and losses in accordance with agreed profit sharing agreements.

Members' capital and drawings are determined by the regulatory capital requirements of the Financial Conduct Authority (FCA) and any trading needs of the LLP. Members' capital is not repayable except where allowed under FCA rules.

Pillar III disclosures

The firm has documented the disclosures required by the FCA under BIPRU 11. These are available from the registered office.

Members' responsibilities statement

The members are responsible for preparing the annual report and the financial statements in accordance with applicable law.

Company law, (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008), 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 law). Under company law, (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008) 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 LLP and of the profit or loss of the LLP 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the LLP will continue in business.

MEMBERS' REPORT (continued)
For the Year Ended 31 March 2017

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the LLP's transactions and disclose with reasonable accuracy at any time the financial position of the LLP and to enable them to ensure that the financial statements comply with the Companies Act 2006 (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008). They are also responsible for safeguarding the assets of the LLP and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

Each of the persons who are members at the time when this members' report is approved has confirmed that:

- so far as that member is aware, there is no relevant audit information of which the LLP's auditor is unaware, and
- that member has taken all the steps that ought to have been taken as a member in order to be aware of any relevant audit information and to establish that the LLP's auditor is aware of that information.

This report was approved by the members on 29 June 2017 and signed on their behalf by:

A J Mayhew

A handwritten signature in black ink, appearing to be 'A J Mayhew', with a long horizontal stroke extending to the right.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SANCTUM FI LLP

We have audited the financial statements of Sanctum FI LLP for the year ended 31 March 2017, set out on pages 4 to 11. The relevant financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the LLP's members in accordance with the Companies Act 2006, as applied by Part 12 of The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the LLP'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 LLP and the LLP's members for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Members and Auditor

As explained more fully in the members' responsibilities statement on page 1, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the LLP's affairs as at 31 March 2017 and of its profit or loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, as applied to limited liability partnerships by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

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 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.

Philip Vipond (senior statutory auditor)
for and on behalf of
Rees Pollock, Statutory Auditor

5 July 2017

STATEMENT OF COMPREHENSIVE INCOME
For the Year Ended 31 March 2017

	Note	2017 £	2016 £
TURNOVER	2	5,394,311	2,874,549
Cost of sales		(45,231)	(48,020)
GROSS PROFIT		5,349,080	2,826,529
Administrative expenses		(1,318,981)	(1,139,248)
OPERATING PROFIT	3	4,030,099	1,687,281
Gain on revaluation of fixed asset investments		15,623	-
Interest receivable and similar income		933	687
Interest payable and expenses		-	(165)
PROFIT FOR THE YEAR BEFORE MEMBERS' REMUNERATION AND PROFIT SHARES		4,046,655	1,687,803
Profit for the year before members' remuneration and profit shares		4,046,655	1,687,803
Members' remuneration charged as an expense		(906,912)	-
PROFIT FOR THE FINANCIAL YEAR AVAILABLE FOR DISCRETIONARY DIVISION AMONG MEMBERS		3,139,743	1,687,803

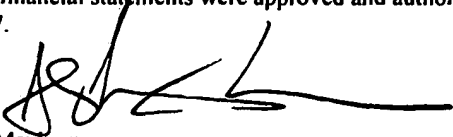
There were no recognised gains and losses for 2017 or 2016 other than those included in the statement of comprehensive income.

The notes on pages 8 to 11 form part of these financial statements.

BALANCE SHEET
As at 31 March 2017

	Note	2017 £	2016 £
FIXED ASSETS			
Investments	6	295,623	-
CURRENT ASSETS			
Debtors: amounts falling due within one year	7	1,671,621	696,913
Cash at bank and in hand		1,991,968	926,947
		<u>3,663,589</u>	<u>1,623,860</u>
Creditors: amounts falling due within one year	8	(45,474)	(65,313)
NET CURRENT ASSETS		<u>3,618,115</u>	<u>1,558,547</u>
NET ASSETS ATTRIBUTABLE TO MEMBERS		<u><u>3,913,738</u></u>	<u><u>1,558,547</u></u>
REPRESENTED BY:			
LOANS AND OTHER DEBTS DUE TO MEMBERS WITHIN ONE YEAR			
Other amounts	9	3,633,738	1,331,047
MEMBERS' OTHER INTERESTS			
Members' capital classified as equity		280,000	227,500
		<u>3,913,738</u>	<u>1,558,547</u>
TOTAL MEMBERS' INTERESTS			
Loans and other debts due to members	9	3,633,738	1,331,047
Members' other interests		280,000	227,500
		<u>3,913,738</u>	<u>1,558,547</u>

The financial statements were approved and authorised for issue by the members and were signed on their behalf on 29 June 2017.


A J Mayhew
Designated member

The notes on pages 8 to 11 form part of these financial statements.

RECONCILIATION OF MEMBERS' INTERESTS

For the Year Ended 31 March 2017

	EQUITY			DEBT		
	Members' capital (classified as equity) £	Other reserves £	Members' other interests £	Loans and other debts due to members less any amounts due from members in debtors £	Total £	Total members' interests £
Amounts due to members				992,710	992,710	
BALANCE AT 1 APRIL 2015	227,500	-	227,500	992,710	992,710	1,220,210
Profit for the year available for discretionary division among members	-	1,687,803	1,687,803	-	-	1,687,803
MEMBERS' INTERESTS AFTER PROFIT FOR THE YEAR	227,500	1,687,803	1,915,303	992,710	992,710	2,908,013
Allocated profit for the year	-	(1,687,803)	(1,687,803)	1,687,803	1,687,803	-
Amounts withdrawn by members	-	-	-	(1,562,893)	(1,562,893)	(1,562,893)
Corporate member recharge net of drawings	-	-	-	213,427	213,427	213,427
Amounts due to members				1,331,047	1,331,047	
BALANCE AT 31 MARCH 2016	227,500	-	227,500	1,331,047	1,331,047	1,558,547
Members' remuneration charged as an expense	-	-	-	906,912	906,912	906,912
Profit for the year available for discretionary division among members	-	3,139,743	3,139,743	-	-	3,139,743
MEMBERS' INTERESTS AFTER PROFIT FOR THE YEAR	227,500	3,139,743	3,367,243	2,237,959	2,237,959	5,605,202
Allocated profit for the year	-	(3,139,743)	(3,139,743)	3,139,743	3,139,743	-
Capital introduced by members	52,500	-	52,500	-	-	52,500
Amounts withdrawn by members	-	-	-	(1,786,599)	(1,786,599)	(1,786,599)
Corporate member recharge net of drawings	-	-	-	42,635	42,635	42,635
Amounts due to members				3,633,738	3,633,738	
BALANCE AT 31 MARCH 2017	280,000	-	280,000	3,633,738	3,633,738	3,913,738

The notes on pages 8 to 11 form part of these financial statements.

There are no existing restrictions or limitations which impact the ability of the members of the LLP to reduce the amount of Members' other interests, apart from FCA capital resource requirements.

STATEMENT OF CASH FLOWS
For the Year Ended 31 March 2017

	2017 £	2016 £
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the financial year	4,046,655	1,687,803
ADJUSTMENTS FOR:		
Interest paid	-	165
Interest received	(933)	(687)
(Increase)/decrease in debtors	(974,708)	342,432
(Decrease)/increase in creditors	(19,839)	23,329
Revaluation of fixed asset investments	(15,623)	-
NET CASH GENERATED FROM OPERATING ACTIVITIES	<u>3,035,552</u>	<u>2,053,042</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of unlisted investments	(280,000)	-
Interest received	933	687
NET CASH FROM INVESTING ACTIVITIES	<u>(279,067)</u>	<u>687</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	-	(165)
Members' capital contributed	52,500	-
Distribution paid to members	(1,786,599)	(1,562,893)
Other transactions with members	42,635	213,427
NET CASH USED IN FINANCING ACTIVITIES	<u>(1,691,464)</u>	<u>(1,349,631)</u>
INCREASE IN CASH AND CASH EQUIVALENTS	<u>1,065,021</u>	<u>704,098</u>
Cash and cash equivalents at beginning of year	926,947	222,849
CASH AND CASH EQUIVALENTS AT THE END OF YEAR	<u><u>1,991,968</u></u>	<u><u>926,947</u></u>
CASH AND CASH EQUIVALENTS AT THE END OF YEAR COMPRISE:		
Cash at bank and in hand	1,991,968	926,947
	<u><u>1,991,968</u></u>	<u><u>926,947</u></u>

The notes on pages 8 to 11 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 March 2017

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

Sanctum FI LLP is a Limited Liability Partnership registered in England and Wales. The entity's registered address is 12 Hay Hill, Mayfair, London, W1J 8NR.

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006 and the requirements of the Statement of Recommended Practice "Accounting by Limited Liability Partnerships" published in January 2017.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the LLP accounting policies. The designated members do not consider that there are any material judgemental areas or significant estimates.

The following principal accounting policies have been applied:

1.2 Revenue

Revenue represents fees receivable during the period for investment management services. Management fees are recognised over the period in which management services are provided. Performance fees, which are based on the investment performance achieved for certain client portfolios relative to predefined benchmarks, are recognised as revenue at the end of the period over which the performance is measured.

1.3 Valuation of investments

Investments in unlisted shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

1.4 Financial instruments

The entity does not trade in financial instruments and all such instruments arise directly from operations. All trade and other debtors are initially recognised at transaction value, as none contain in substance a financing transaction. Thereafter trade and other debtors are reviewed for impairment where there is objective evidence based on observable data that the balance may be impaired. The entity does not hold collateral against its trade and other receivables so its exposure to credit risk is the net balance of trade and other debtors after allowance for impairment. The entity's cash holdings comprise on demand balances. All cash is held with banks with strong external credit ratings. Trade and other creditors and accruals are initially recognised at transaction value as none represent a financing transaction. They are only derecognised when they are extinguished. As the entity only has short term receivables and payables, its net current asset position is a reasonable measure of its liquidity at any given time.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 March 2017

1. ACCOUNTING POLICIES (continued)

1.5 Foreign currency translation

Functional and presentation currency

The LLP's functional and presentational currency is the pound sterling.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

1.6 Members' profit allocation

A members' discretionary share in the profit or loss for the year is accounted for as an allocation of profits. Any unallocated profits and losses are included within other reserves.

2. TURNOVER

The turnover and operating profit for the year was derived from the LLP's principal continuing activity which was carried out wholly within the United Kingdom.

3. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2017	2016
	£	£
Auditor's remuneration	11,000	11,000
Auditor's remuneration - non-audit	5,220	5,220
Exchange differences	(38,099)	(19,172)

4. EMPLOYEES

The entity has no employees other the members (2016: nil).

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 March 2017

5. INFORMATION IN RELATION TO MEMBERS

	2017 Number	2016 Number
The average number of members during the year was	5	5
	<u>2017</u> £	<u>2016</u> £
The amount of profit attributable to the member with the largest entitlement was	<u>1,886,013</u>	<u>1,039,410</u>

6. FIXED ASSET INVESTMENTS

	Unlisted investments £
VALUATION	
Additions at cost	280,000
Revaluations	15,623
At 31 March 2017	<u>295,623</u>

7. DEBTORS

	2017 £	2016 £
Other debtors	9,687	8,540
Prepayments and accrued income	1,661,934	688,373
	<u>1,671,621</u>	<u>696,913</u>

8. CREDITORS: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	16,177	35,356
Accruals and deferred income	29,297	29,957
	<u>45,474</u>	<u>65,313</u>

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 March 2017

9. LOANS AND OTHER DEBTS DUE TO MEMBERS

	2017	2016
	£	£
Amounts due to members	<u>3,633,738</u>	<u>1,331,047</u>

Loans and other debts due to members rank equally with debts due to ordinary creditors in the event of a winding up.

10. RELATED PARTY TRANSACTIONS

During the year the LLP was charged £1,128,480 (2016: £991,624) in respect of expenses incurred on its behalf by Sanctum Fixed Income Limited. The LLP and Sanctum Fixed Income Limited are under common control. At the year end an amount of £386,535 (2016: £343,898) was due to Sanctum Fixed Income Limited.

11. CONTROLLING PARTY

The ultimate controlling party is A J Mayhew.