

INFRACAPITAL (SENSE) HOLDINGS LIMITED

REGISTRATION NUMBER: 10537790

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

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INFRACAPITAL (SENSE) HOLDINGS LIMITED

GENERAL INFORMATION

DIRECTORS	M A Fernandes M Armanini A Matthews
REGISTERED NUMBER	10537790
REGISTERED OFFICE	10 Fenchurch Avenue London EC3M 5AG United Kingdom
INDEPENDENT AUDITOR	KPMG LLP 15 Canada Square London E14 5GL United Kingdom
ADMINISTRATOR	SANNE GROUP (UK) LIMITED 21 Palmer Street London SW1H 0AD United Kingdom

INFRACAPITAL (SENSE) HOLDINGS LIMITED

CONTENTS

	Page
Directors' Report	3
Strategic Report	5
Independent Auditor's Report to the Member of Infracapital (Sense) Holdings Limited	6
Balance Sheet	9
Statement of Changes in Equity	10
Notes to the Financial Statements	11

INFRACAPITAL (SENSE) HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

The Directors present their report and financial statements of Infracapital (Sense) Holdings Limited ("the Company") for the year ended 31 December 2018 ("the year").

Directors

The Directors who served for the year ended 31 December 2018 and as at the date of approving this report are:

M A Fernandes
M Armanini
A Matthews

Dividends

No dividends were paid during the year (2017: PLN nil). The Directors do not recommend the payment of a final dividend (2017: PLN nil).

Going concern

The Directors have a reasonable expectation that the Company has adequate resources to continue their operations for the foreseeable future. In support of this expectation the Directors are unaware of any significant factors likely to affect the Company in the foreseeable future. Accordingly, they continue to adopt a going concern basis in preparing the annual report and financial statements.

Qualifying third party indemnities

Qualifying third-party indemnity provisions (as defined by section 234 of the Companies Act 2006) were accordingly in force during the course of the financial year ended 31 December 2018 for the benefit of the then Directors and, at the date of this report, are in force for the benefit of the Director in relation to certain losses and liabilities which may occur (or have occurred) in connection with their duties, power or office.

Statement of Directors' Responsibilities in respect of the Strategic Report, Directors' Report and the financial statements

The Directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 the Financial Reporting Standard in the UK and Republic of Ireland ("FRS 102").

Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that year.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and 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;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

INFRACAPITAL (SENSE) HOLDINGS LIMITED
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018

Statement of Directors' Responsibilities in respect of the Strategic Report, Directors' Report and the financial statements (continued)

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Disclosure of Information to Auditor

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

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

Post Balance Sheet Events

There have been no significant events affecting the Company since the year end which requires adjustment for or disclosure in the financial statements.

Auditor

Pursuant to section 487(2) of the Companies Act 2006, the auditor will be deemed to be reappointed and therefore KPMG LLP will therefore continue in office.

The report was approved by the board on 29 August 2019 and signed on its behalf.


M A Fernandes
Director

29 August 2019

INFRACAPITAL (SENSE) HOLDINGS LIMITED
STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018

Principal activity

The principal activity of the Company is to act as an investment company.

The Company was incorporated on 22 December 2016 and has an investment in 100% of the equity of Infracapital (Sense) Subholdings Limited.

Business review and results

The Company earned no income nor incurred any expense during the year ended 31 December 2018 and the period ended 31 December 2017. Accordingly, no Statement of Comprehensive Income has been presented. The net assets at 31 December 2018 were PLN 7,939,000 (2017: PLN 1,248,000).

Risks and uncertainties

The risks and uncertainties faced by the Company are those inherent within the financial services industry, but are primarily:

- Liquidity risk – The Company's portfolio contains investments that are illiquid and long-term. Such investments may be illiquid because, among other reasons, there is no established market for the particular type of asset, there is a scarcity of disposal options and/or potential acquirers, or there are legal, tax, regulatory or contractual restrictions associated with the disposal of the investment;
- Operational risk – losses could result from inadequate or failed internal and external processes, systems and human error or from external events over which the management has no control;
- Market risk – exposure to fluctuations in revenue resulting from the impact of volatile equity, bond, property prices and investment performance;
- Credit risk – investments are reliant on counterparties fulfilling their obligations; and
- Regulatory risk – subject to the effects of changes in law, regulation, policy and interpretation and any accounting standards in the markets in which it operates.

The risks and uncertainties faced by the Prudential Group are outlined in the strategic report prepared by Prudential Plc, the Company's ultimate parent company. Consolidated financial statements can be obtained from the address in note 11.

INFRACAPITAL (SENSE) HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF INFRACAPITAL (SENSE) HOLDINGS LIMITED FOR THE YEAR ENDED 31 DECEMBER 2018

Opinion

We have audited the financial statements of Infracapital (Sense) Holdings Limited ("the Company") for the year ended 31 December 2018 which comprise the Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 and of its result for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

The impact of uncertainties due to the UK exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

INFRACAPITAL (SENSE) HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF INFRACAPITAL (SENSE) HOLDINGS LIMITED FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

Strategic report and Directors' report

The directors are responsible for the Strategic report and Directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the Strategic report and Directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the Strategic report and directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on pages 3 and 4, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

INFRACAPITAL (SENSE) HOLDINGS LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF INFRACAPITAL
(SENSE) HOLDINGS LIMITED FOR THE YEAR ENDED 31 DECEMBER 2018
(CONTINUED)**

The purpose of our audit work and to whom we owe our responsibilities

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



Fang Fang Zhou (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

4 September 2019

INFRACAPITAL (SENSE) HOLDINGS LIMITED
BALANCE SHEET
AS AT 31 DECEMBER 2018

	Notes	2018 PLN 000	2017 PLN 000
Fixed assets			
Investments	6	<u>7,939</u>	<u>3,185</u>
Current liabilities			
Creditors – amounts falling due within one year	7	<u>-</u>	<u>(1,937)</u>
Net current assets/(liabilities)		<u>-</u>	<u>(1,937)</u>
Net assets		<u><u>7,939</u></u>	<u><u>1,248</u></u>
Capital and reserves			
Called up share capital	8	<u>-</u>	<u>-</u>
Share premium	8	<u>7,939</u>	<u>1,248</u>
Shareholder's funds		<u><u>7,939</u></u>	<u><u>1,248</u></u>

The financial statements on pages 9 to 13 have been approved by the Board of Directors and signed on their behalf by:-


M A Fernandes
Director


A Matthews
Director

29 August 2019

The notes on pages 11 to 13 form part of these financial statements

INFRACAPITAL (SENSE) HOLDINGS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018

	Share capital PLN 000	Share premium PLN 000	Total PLN 000
Balance at 22 December 2016	-	-	-
Result for the period	-	-	-
Total comprehensive income for the period	-	-	-
Issue of shares	-	1,248	1,248
	-	1,248	1,248
Balance at 31 December 2017	-	1,248	1,248

	Share capital PLN 000	Share premium PLN 000	Total PLN 000
Balance at 1 January 2018	-	1,248	1,248
Result for the year	-	-	-
Total comprehensive income for the year	-	-	-
Issue of shares	-	6,691	6,691
	-	6,691	6,691
Balance at 31 December 2018	-	7,939	7,939

The notes on pages 11 to 13 form part of these financial statements

INFRACAPITAL (SENSE) HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

1. Accounting policies

Infracapital (Sense) Holdings Limited ("the Company") is a company incorporated and domiciled in England. These financial statements are prepared for the year ended 31 December 2018 ("the year").

Basis of preparation

The Company's financial statements have been prepared in accordance with UK Generally Accepted Accounting Principles including FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") and the Companies Act 2006.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements.

These financial statements present information about the Company as an individual undertaking and not about its group. The Company's ultimate parent, Prudential Plc, includes the Company in its consolidated financial statements. These consolidated financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and are publically available. Accordingly, the Company may adopt FRS 102 and take advantage of reduced disclosure exemptions.

The Company has taken advantage of the exemptions under FRS 102 section 7 Statement of Cash Flows paragraphs 1.8 to 1.12, not to prepare a cash flow statement for the year ended 31 December 2018.

The principal accounting policies adopted have been set out below:

a) Investment in subsidiary

The Company's investments in its subsidiary are held at cost less impairment. At the end of each reporting period, the Directors review the carrying amounts of fixed asset investment to determine whether there is any indication that the asset has suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). An impairment loss is recognised immediately in the Statement of Comprehensive Income.

In assessing recoverable amount, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

b) Functional and presentation currency

The Company's functional currency is considered to be the Polish Zloty ("PLN"). The Directors have chosen the PLN as the Company's presentation currency. The PLN is considered as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions that affect the Company.

c) Basic financial instruments

Trade and other creditors

Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

INFRACAPITAL (SENSE) HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018

1. Accounting policies (continued)

c) Basic financial instruments (continued)

Trade and other debtors

Trade and other debtors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

d) Going concern

The Directors have a reasonable expectation that the Company has adequate resources to continue their operations for the foreseeable future. In support of this expectation the Directors are unaware of any significant factors likely to affect the Company in the foreseeable future. Accordingly, they continue to adopt a going concern basis in preparing the annual report and financial statements.

e) Statement of comprehensive income

The Partnership has not earned or incurred any income or expenditure in the year ended 31 December 2018 and the period ended 31 December 2017, and therefore no statement of comprehensive income account has been prepared.

2. Use of judgments and estimates

In preparing these financial statements, the Directors have made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively. The judgment the Directors apply is whether there should be any impairment booked as part of their review.

3. Auditor's remuneration

Amounts receivable by the Company's auditor in respect of the Company's financial statements for the year are £3,060 (2017: £3,000) and are payable by Infracapital (Sense) Limited. Amounts receivable by the Company's auditor in respect of services to the Company and its associates, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the Company's ultimate parent, Prudential Plc.

4. Employees

The Company had no employees during the year (2017: nil).

5. Directors' emoluments

No emoluments were paid to the Directors during the year in connection with the management of the affairs of the Company.

One of the Directors exercised Prudential Plc share options during the year (2017: one).

All Directors were employed during the year by M&G Limited. Analyses of staff costs, pension commitments and share based payments are shown in the annual report and financial statements of that company.

INFRACAPITAL (SENSE) HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018

6. Investments

	2018 PLN 000	2017 PLN 000
Cost		
At beginning of year/period	3,185	-
Equity – Additions	6,691	1,248
Interest free loan - Infracapital (Sense) Subholdings Limited	(1,937)	1,937
At end of year/period	<u>7,939</u>	<u>3,185</u>

The Company holds 100% of the entire issued ordinary share capital of Infracapital (Sense) Subholdings Limited, a company incorporated in the United Kingdom. Infracapital (Sense) Subholdings Limited's principal activity is to act as an Investment Company. No impairments were recognised during the year (2017: none). The registered office of Infracapital (Sense) Subholdings Limited is as follows: 10 Fenchurch Avenue, London, EC3M 5AG, United Kingdom.

The interest free loan was converted into equity in the year.

7. Creditors – amounts falling due within one year

	2018 PLN 000	2017 PLN 000
Amounts owed to group undertakings	-	1,937

8. Called up share capital

	2017 PLN 000	2017 PLN 000
Allotted, issued and fully paid		
6 ordinary shares with PLN 1 nominal value (2017: 4 ordinary shares with PLN 1 nominal value)	-	-

During the year, the Company allotted Infracapital (Sense) SLP LP with a further 2 ordinary shares with a nominal value of PLN 1 each. The total amounts issued during the year resulted to a share premium amount of PLN 6,691,598.

9. Related party transactions

In accordance with paragraph 33.1A of FRS 102, the Company has not disclosed transactions with fellow group companies which are wholly owned by Prudential Plc. There were no other related party transactions.

10. Post balance sheet events

There have been no significant events affecting the Company since the period end which require adjustment for or disclosure in the financial statements.

11. Immediate and ultimate controlling party

The Company's immediate parent company is Infracapital (Sense) SLP LP, a limited partnership registered in Scotland.

The ultimate parent company of Infracapital (Sense) SLP LP is Prudential Plc, a company registered in England and Wales. Consolidated financial statements are prepared by Prudential Plc and copies of these are available from the registered office at 1 Angel Court, London, EC2R 7AG.