

First Sentinel PLC Half-year Report

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RNS Number : 1315S

First Sentinel PLC

28 September 2017

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First Sentinel plc

("First Sentinel" or the "Company")

Interim Report for the nine months ended 30 June 2017

A copy of this announcement will be available from the Company's website, www.first-sentinel.com

The Chairman's Report

I am delighted to present the results for First Sentinel plc, for the nine months ended 30 June 2017. The Company has raised GBP0.7m during the period and additionally raised another GBP0.7m shortly after the period end. The proceeds of the placings will be used to assist the Company in the implementation of its investment strategy where the Company provides growth capital (equity, mezzanine debt and senior debt) for public and private company investments across a number of different market sectors. The Company has also admitted its shares to trading on NEX Exchange and has made two key director appointments as we move to the next stage of the Company's development. The loss of GBP143,000 for the period represents two months of trade following the IPO and includes the costs of listing the Company on NEX Exchange.

The appointment of additional board members will be made to assist us in our investment strategy and we remain focused on creating long-term sustainable value for our shareholders.

Investments

The following investments have been made by First Sentinel plc during the period:

Red Rock Resources plc (AIM: RRR)

Red Rock Resources plc ("Red Rock") is a natural resource development company with interests in gold, manganese and oil production. On 23 June 2017, it announced that it had entered into financing agreements to acquire an interest of between 16% to 30% in Steelmin Limited ("Steelmin") and provide a loan of approximately EUR3.9million (the "Loan") to fund Steelmin to complete the refurbishment and recommissioning of a ferrosilicon smelter in Jajce, Bosnia. Production from Steelmin is expected in Q1 2018 with target annual revenues on initial production levels of EUR36m and EBITDA of EUR7m.

Steelmin's plant consists of two electric arc furnaces with a combined annual capacity of 48,720 tonnes ferrosilicon (FeSi 75) and 9,700 tonnes of microsilica and expected initial capacity from Furnace V of 29,000t of ferrosilicon p.a. and 5,800t of microsilica.

To fund the Loan, Red Rock has borrowed from YA 11 PN Ltd, on behalf of a group of institutional investors, \$4,230,750 on a secured basis for a term of one year bearing interest at 13% p.a. with a renewal option for a further 8 months for a fee (the "Note"). First Sentinel participated \$300,000 in this Note. The Note carries warrants in Red Rock with a two-year life and exercisable at a price of 2.2p per share. The Note is secured against Red Rock's holding in Jupiter Mines and the loan to Steelmin.

Phoenix Global Mining plc (AIM: PGM)

Phoenix Global Mining plc ("Phoenix") is a US focussed base metal explorer and developer focussed on advancing the Empire Mine in Idaho, into open pit copper oxide production with additional upside available from potential underground development. The shares of Phoenix were admitted to trading on AIM on 28 June 2017.

First Sentinel subscribed for 2,032,520 ordinary shares at the placing price on IPO of 4p per share (a subscription for approximately GBP81,000).

*Milamber Ventures plc (NEX: MLVP)

Milamber Ventures plc is a growth accelerator focussed on Media, Technology and education. Milamber partners with entrepreneurs and ambitious management teams to develop high value, innovative, growing businesses.

First Sentinel subscribed for 500,000 new ordinary shares in Milamber at a price of 7p per share for a total of GBP35,000.

*Note: First Sentinel Corporate Finance, a FCA registered firm wholly owned by a director of First Sentinel, Brian Stockbridge, acted as broker/ introductory agent in connection with this fundraise.

Outlook

The nine months to 30 June 2017 has been a very successful period for First Sentinel. The success of the fund raising, investments made and the appointment of new experienced directors have positioned the Company very well for the next stage of its development. Our short-term strategy remains at increasing value by providing growth capital for public and private company investments. I am very optimistic about the Company's growth potential and we look to the future with significant confidence.

Brian Stockbridge

28 September 2017

This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014.

For further corporate information, please contact:

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Chairman and CEO

First Sentinel Plc

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Interim Condensed Statement of Comprehensive Income

	From 17	
	9 months	May 2016
	Ended	to
Notes	30 June	30 September
	2017	2016
	Unaudited	Audited
	-----	-----
	GBP'000	GBP'000
Continuing operations	-	-
Administrative expenses	4	(143)
	-----	-----
Operating loss	(143)	(12)
Loss on ordinary activities		
before taxation	(143)	(12)
Tax on loss on ordinary		
activities	-	-
	-----	-----
Loss after taxation	(143)	(12)
Total comprehensive		
loss for the period		
attributable to the		
owners of the company	(143)	(12)
	-----	-----

Basic and diluted

loss per share (expressed

in pence per share) 5 (5.32p) (GBP120)

Interim Condensed Statement of Changes in Equity

	Share Capital	Share Premium	Accumulated Deficit	Total Equity
	GBP'000	GBP'000	GBP'000	GBP'000
Incorporation	-	-	-	-
Issue of shares	-	-	-	-
Loss and total comprehensive				
loss for the period	-	-	(12)	(12)
Balance at 30 September				
2016	-	-	(12)	(12)
Issue of shares	71	645	-	716
Share issue costs	-	(117)	-	(117)
Loss and total comprehensive				
loss for the period	-	-	(143)	(143)

Balance at 30 June

2017	71	528	(155)	444
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Share capital is the amount subscribed for shares at nominal value.

Share premium is the amount subscribed for shares in excess of nominal value.

Accumulated deficit represents the cumulative loss of the Company attributable to equity shareholders.

Interim Condensed Statement of the Financial Position

	At 30	At 30
Notes	June	September
	2017	2016
	Unaudited	Audited

	GBP'000	GBP'000
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Assets

Current assets

Other Receivables	6	229	3
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Financial assets at

fair value through profit

or loss	6	112	-
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Cash and Cash Equivalents		147	3
Total Current Assets		488	6
	-----	-----	
Total Assets		488	6
	-----	-----	
Equity and Liabilities			
Share Capital	7	71	-
Share Premium	7	528	-
Accumulated deficit		(155)	(12)
Total Equity		444	(12)
	-----	-----	
Current Liabilities			
Other Payables		44	18
Total Liabilities		44	18
	-----	-----	
Total Equity and Liabilities		488	6
	-----	-----	

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Interim Condensed Cash Flow Statement

	From 17	
	9 Months	May 2016
	Ended	to 30
Notes	30 June	September
	2017	2016
	Unaudited	Audited
	-----	-----
	GBP'000	GBP'000
Cash flows from		
operating activities		
Operating loss	(143)	(12)
Changes in working		
capital		
(Increase) / decrease		
in receivables	3	(3)
Increase / (decrease)		
in payables	27	18
Net cash flow from		
operating activities	(113)	3
	-----	-----

Investing Activities

Decrease / (Increase)

in financial assets	6	(112)	-
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Decrease / (Increase)

in Loans	6	(229)	-
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Net cash flow from investing

activities	(341)	-
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Cash flows from financing

activities:

Net proceeds from issue

of shares	7	598	-
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Net cash flow from financing

activities	598	-
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Net cash flow for the

period	144	3
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Opening Cash and cash

equivalents	3	-
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Closing Cash and cash

equivalents	147	3
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Notes to the Interim Condensed Financial Statements

1. General Information

First Sentinel plc ('the Company') is an investment company incorporated in the United Kingdom with company number 10183367 and quoted on the NEX Exchange Growth Market.

2. Basis of Preparation

The annual financial statements of the Company are prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. The condensed set of financial statements included in this interim financial report has been prepared in accordance with IAS 34 'Interim Financial Reporting', as adopted by the European Union. The accounting policies and methods of computation used are consistent with those used in the Company's latest audited financial statements for the period ended 30 September 2016.

A copy of the statutory accounts for the period ended 30 September 2016 has been delivered to the Registrar of Companies. The auditor's report on these accounts was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

3. Segmental Reporting

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

4. Company Result for the period

The current period operating loss incorporated the following main items:

From 17	
9 Months	May 2016
Ended	to
30 June	30 September
2017	2016
Unaudited	Audited
GBP'000	GBP'000

Accounting and administration		
fees	3	2
Foreign Exchange debits	11	-
Directors' Remuneration and Fees	22	-
Legal and professional fees	97	10
Other expenses	10	-
	-----	-----
	143	12
	-----	-----

5. Loss per Share

Loss per share data is based on the Company result for the nine months and the weighted average number of shares in issue.

Basic loss per share is calculated by dividing the loss attributable to equity shareholders by the weighted average number of ordinary shares in issue during the period:

	From	
	17 May	
9 Months	2016	
Ended	to	
30 June	30 September	
2017	2016	
Unaudited	Audited	
GBP	GBP	
Loss after tax	(143,000)	(12,000)

Weighted average number of ordinary		
shares in issue	2,695,464	100
	-----	-----
Basic and diluted loss per share	(5.32p)	(GBP120)
(pence)		
	-----	-----

Basic and diluted earnings per share are the same, since where a loss is incurred the effect of outstanding share options and warrants is considered anti-dilutive and is ignored for the purpose of the loss per share calculation. There were 8,736,524 potential dilutive shares in issue during the period for share options and warrants.

6. Financial assets

During the period the Company had the following movements in investments:

	At 30 June 2017 Unaudited GBP'000	At 30 September 2016 Audited GBP'000
Included within other receivables:		
Secured loan notes	229	-
Financial assets through profit and loss:	112	-
UK AIM listed equity securities		
	-----	-----
Total financial assets	341	-

The financial assets within other receivables relate to secured loan notes for a term of one year bearing interest at 13% per annum in Red Rock Resources plc.

7. Share Capital

Ordinary shares are classified as equity. Proceeds from issuance of ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against share capital.

Allotted, called up and fully paid ordinary shares of 0.01p each	Number of shares	Share Capital	Share Premium
	GBP	GBP	
Balance at 17 May 2016	100	1	-
Balance at 30 June 2016	100	1	-
Share issue at GBP0.10			
- 15 March 2017	6,309,794	63,098	567,882
Share issue at GBP0.10			
- 24 March 2017	50,000	500	4,500
Share issue at GBP0.10			
- 18 April 2017	727,273	7,273	72,727
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Balance at 30 June 2017	7,087,167	70,872	645,109

8. Related Party Transactions

As at the period end the company owed GBP5,000 (2016: GBPnil) to First Sentinel Corporate Finance Limited, a company controlled by the director, Brian Stockbridge, for an interest free current account balance.

As at the period end the company owed GBP15,000 (2016: GBP15,000) to the director, Brian Stockbridge, for an interest free current account balance.

9. Events Subsequent to 30 June 2017

On the 5 July 2017 the company raised GBP700,000 by issuing 6,363,636 new shares.

Independent review report to First Sentinel plc

We have been engaged by the company to review the condensed set of financial statements in the interim financial report for the 9 months ended 30 June 2017 which comprises the income

statement, the statement of changes in equity, the balance sheet, the cash flow statement and related notes. We have read the other information contained in the interim financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company in accordance with International Standard on Review

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Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. Our work has been undertaken so that we might state to the company those matters we are required to state to it in an independent review 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, for our review work, for this report, or for the conclusions we have formed.

Directors' responsibilities

The interim financial report is the responsibility of, and has been approved by, the directors.

The directors are responsible for preparing the interim financial report in accordance with the

Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

As disclosed in the accounting policies, the annual financial statements of the group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this interim financial report has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" as adopted by the European Union.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the interim financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor

of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the interim financial report for the 9 months ended 30 June 2017 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union.

MAH

Chartered Accountants and Statutory Auditor

154 Bishopsgate, Liverpool Street, London, EC2M 4LN

28 September 2017

The directors of First Sentinel accept responsibility for this announcement.

This information is provided by RNS

The company news service from the London Stock Exchange

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