

Interim results for the period ended 30 June 2019

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This announcement contains inside information for the purposes of the Market Abuse Regulation (EU No. 596/2014) ("MAR"). Upon the publication of this announcement, this inside information is now considered to be in the public domain and shall therefore cease to be inside information.

First Sentinel plc

("First Sentinel" or the "Company")

Interim results for the period ended 30 June 2019

First Sentinel is pleased to announce its interim accounts for the six months ended 30 June 2019.

The interim accounts are set out below and a copy is available on the Company's

website, www.first-sentinel.com.

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First Sentinel PLC

Interim report for the six months ended 30 June 2019

The Chairman's Report

I am delighted to present the results for First Sentinel plc, for the six months ended 30 June 2019. The Group raised GBP1,210,545 to complete the GBP4m fundraise under its NEX listed bond, the proceeds of which were used to finance the invoice purchasing activities of our subsidiary in Australia, Perennial Enterprise PTY Ltd. The business in Australia continues to progress well and First Sentinel plc voluntarily redeemed GBP550k of Bonds from investors after the period end which remain available for new investors. During the period, First Sentinel plc also set up Capable Finance Limited as a 50.01% subsidiary to focus on UK supply chain finance activities. The Group raised GBP0.8m shortly after the period end under a GBP7m Euronext listed bond to finance these activities and, additionally raised GBP309,000 in equity for investment and working capital purposes. The loss of GBP137,000 for the period demonstrates that the business still needs to attract some scale and the directors believe that the progress made to date will position the group for further growth.

Outlook

The Six months to 30 June 2019 has continued to be a very successful period for First Sentinel. The success of the fund raising, investments made and the establishment of supply chain finance operations in the UK has positioned the Group 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 and, in particular, by significantly growing the invoice purchasing activities in Australia and the supply chain finance operations in

the UK. The Directors are very optimistic about the Group's growth potential and we look to the future with significant confidence.

Interim Condensed Statement of Comprehensive Income

	6 months Ended 30 June Notes	6 months Ended 30 June 2018 Unaudited	Year ended 31 December 2018 Audited	
	2019	2018		
	Unaudited	Unaudited		
	GBP'000	GBP'000		GBP'000
Revenue	710	963		1,453
Cost of sales	(185)	(403)		(503)
Gross profit	525	560		950
Administrative expenses	4	(591)	(515)	(1,381)
Other Income/ (Losses)		21	(68)	134

Operating profit / (loss)	(45)	(23)	(297)
Finance Costs	(326)	(23)	(611)
Finance Income	257	-	298
Profit / (loss) on ordinary activities before taxation	(114)	(46)	(610)
Tax on loss on ordinary activities	(24)	(53)	(90)
Profit / (loss) after taxation	(137)	(99)	(700)
Other comprehensive income	-	-	-
Total comprehensive profit / (loss) for the period	(137)	(99)	(700)
Profit / (loss) and total comprehensive attributable to the owners of the company	(137)	(99)	(793)
Non-controlling interests	-	-	93

	(137)	(99)	(700)	
Basic and diluted Profit / (loss)	5	(0.90p)	(0.71p)	(4.71p)
per share (expressed in pence per share)				

Interim Condensed Statement of Changes in Equity

	Share Capital	Share Premium	Accumulated Deficit Payment	Share Based	Share Non-Controlling interest Difference	Foreign Exchange	Total Equity	
	GBP'000	GBP'000	GBP'000	GBP'000	GBP'000	GBP'000	GBP'000	GBP'000
Balance at 30 June 2018	151	1,444	(310)	13	(43)	(11)	1,244	
Issue of shares	1	-	-	-	-	-	1	
Cost of issue of shares	-	5	-	-	-	-	5	

Share based payment	-	-	-	13	-	-	13
Reserve							
Non-controlling interest	-	-	-	-	152	-	(68)
Foreign Exchange Difference	-	-	-	-	-	(100)	120
Loss and total comprehensive loss for the period	-	-	(644)	-	-	-	(644)
Balance at 31 December 2018	152	1,449	(954)	26	109	(111)	671
Issue of shares	-	-	-	-	-	-	-
Share issue costs	-	-	-	-	-	-	-
Non-Controlling Interest	-	-	-	-	45	-	45
Foreign Exchange Difference	-	-	-	-	-	(2)	(2)

Loss and total	-	-	(138)	-	-	-	(138)
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comprehensive loss for
the period

Balance at 30 June	152	1,449	(1,092)	26	154	(113)	576
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2019

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 Group attributable to equity shareholders.

Interim Condensed Statement of the Financial Position

Notes	6 months Ended 30 June 2019 Unaudited	6 months Ended 30 June 2018 Unaudited	Year ended 31 December 2018 Audited
	GBP'000	GBP'000	GBP'000

Assets

Non-Current Assets

Intangible Asset	51	145	51
Property, Plant & equipment	79	5	24
Goodwill	88	88	
Total non-Current Assets	218	150	163

Current assets

Trade Receivables	5,112	2,997	4,279	
Other Receivables	9	203	-	
Other investment	-	50	-	
Financial assets at fair value through profit or loss	6	662	1,003	584
Cash and Cash Equivalents	1,790	805	826	
Total Current Assets	7,573	5,058	5,689	

Total Assets		7,791	5,208	5,852	
Equity and Liabilities					
Share Capital	7	152	151	152	
Share Premium	7	1,449	1,444	1,449	
Share based payment reserve			26	13	26
Non-controlling interest		154	(43)	109	
FX Reserve		(113)	(11)	(111)	
Accumulated deficit		(1,092)	(310)	(954)	
Total Equity		576	1,244	671	
Current Liabilities					
Accounts Payable		1,383	7	252	
Accruals		31	36	34	
Directors Loan		38	67	57	

Tax and other social security	-	110	110
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Borrowings	-	-	-
Other Payables	76	212	6
Total Current Liabilities	1,528	432	459
Non-current Liabilities			
Borrowings	5,687	3,532	4,722
Total non-current Liabilities	5,687	3,532	4,722
Total Liabilities	7,215	3,964	5,181
Total Equity and Liabilities	7,791	5,208	5,852

Interim Condensed Cash Flow Statement

6 months	6 Months	Year ended
Ended	Ended	31 December

	30 June	30 June	2018
Notes	2019	2018	Audited
	Unaudited	Unaudited	
	GBP'000	GBP'000	GBP'000
Cash flows from operating activities			
Operating profit/(loss)	(45)	(23)	(297)
Changes in working capital			
(Increase) / decrease in receivables	(843)	(2,214)	(3,591)
Increase / (decrease) in payables	1,142	(204)	58
Other adjustments	(172)	-	-
Depreciation	-	5	5
Fair value adjustments	-	68	292
Share based payment	-	75	88

Interest Received	(257)	-	298
Interest Paid	-	(23)	(611)
Net cash flow from operating activities	(175)	(2,316)	(3,758)
Investing Activities			
Decrease / (Increase) in financial assets	150	(137)	(2)
Acquisition of subsidiary	6	-	-
Net Proceeds from transactions of financial assets at fair value through profit or loss	-	-	304
Decrease / (Increase) in Loans	6	-	-
Net cash flow from investing activities	150	(137)	302
Cash flows from financing activities:			
Net proceeds from issue of shares	7	-	144
			64

Net Proceeds from issue of financial liabilities at amortised cost - bonds	-	-	2,788
Increase / (repayments) of Loans	965	2,817	1,223
Net cash flow from financing activities	965	2,961	4,075
Taxation	24	-	(90)
Net cash flow for the period	964	508	529
Opening Cash and cash equivalents	826	297	297
Closing Cash and cash equivalents	1,790	805	826

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 and its subsidiaries (together referred to as the "Group") 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 Group's latest audited financial statements for the year ended 31 December 2018.

A copy of the statutory accounts for the year ended 31 December 2018 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

The Group's management has determined the operating segments based on the reports reviewed by the executive directors that are used to make strategic decisions. They consider the business from a geographical perspective and the group has two reportable segments, the UK and Australia. The Group's main lines of business are that of making investments and invoice purchasing.

For the period ended 30 June 2019:

	UK	Australia	Total
	GBP'000	GBP'000	GBP'000
Segment revenue and results			
Reportable revenue	32	678	710
Revenue from external customers	32	678	710
Cost of Sales	-	-	-
Unallocated corporate income and expenses		(321)	(259) (580)
Tax expense	-	(24)	(24)
Profit/(Loss)		105	
Segment assets and liabilities			
Reportable segment assets	4,497	3,122	7,617
Goodwill	92	92	
Consolidated total assets		7,710	

Reportable segment liabilities	4,174	2,996	7,170
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Consolidated total liabilities		7,170	
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Other segment information

Interest expense	(152)	(359)	(511)
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Interest Income	251	7	257
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Depreciation	-	-	-
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For the period ended 31 December 2018:	UK	Australia	Total
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	GBP'000	GBP'000	GBP'000
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Segment revenue and results

Reportable revenue	(192)	1,645	1,453
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Revenue from external customers	(192)	1,645	1,453
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Cost of Sales	-	(503)	(503)
Unallocated corporate income and expenses		(918)	(326) (1,244)
Tax expense	-	(90)	(90)
Loss	(1,110)	726	(384)
Segment assets and liabilities			
Reportable segment assets	891	4,874	5,764
Goodwill		88	
Consolidated total assets		5,852	
Reportable segment liabilities	2,869	2,312	5,181
Consolidated total liabilities		5,181	
Other segment information			
Interest expense	(141)	(470)	(611)
Interest Income	298	-	298

Depreciation	-	(3)	(3)
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For the period ended 30 June 2018:	UK	Australia	Total
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	GBP'000	GBP'000	GBP'000
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Segment revenue and results

Reportable revenue	42	921	963
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Revenue from external customers	42	921	963
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Cost of Sales	-	(403)	(403)
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Unallocated corporate income and expenses		(231)	(375)	(606)
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Tax expense	-	(53)	(53)
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Loss		(99)
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Segment assets and liabilities

Reportable segment assets	1,182	3,934	5,116
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Goodwill		92
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Consolidated total assets		5,208	
Reportable segment liabilities	1,708	2,256	3,964
Consolidated total liabilities		3,964	
Other segment information			
Interest expense	21	2	23
Depreciation	-	4	4

4. Group Result for the period

The current period operating loss incorporated the following main items:

6 months Ended 30 June 2019 Unaudited	6 Months Ended 30 June 2018 Unaudited	Year ended 31 December 2018 Audited
GBP'000	GBP'000	GBP'000

Accounting and administration fees	17	36	63
Foreign exchange debits	-	1	4
Directors' remuneration and fees	152	61	385
Legal and professional fees	49	112	179
Other expenses	373	305	750
	591	515	1,381

5. Loss per Share

Loss per share data is based on the Group 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:

6 months 6 Months Year ended

	Ended	Ended	31
	30 June	30 June	December
	2019	2018	2018
	Unaudited	Unaudited	Audited
	GBP	GBP	GBP
Profit/(loss) after tax	(137,000)	(99,000)	(699,967)
Weighted average number of ordinary shares in issue	15,228,089	13,992,690	14,876,326
Basic and diluted Profit/(loss) per share (pence)	(0.90p)	(0.71p)	(4.71p)

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 12,205,327 potential dilutive shares in issue during the period for share options and warrants.

6. Financial assets

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

	30 June	At Year ended	
	2019	30 June 2018	31 December
	Unaudited	Unaudited	2018
		Audited	
	GBP'000	GBP'000	GBP'000
Secured loan notes		222	203
			72
Financial assets through profit and loss:		440	1,003
UK AIM listed equity securities			512
Total financial assets		662	1,206
			584

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	511,233
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
Balance at 30 June 2018	7,087,167	70,872	588,460
Share issue at GBP0.10 - 05 July 2017	6,363,636	63,636	636,364
Share issue at GBP0.10 - 04 December 2017	707,937	7,079	84,952
Balance at 31 December 2017	14,158,740	141,587	1,309,776
Share issue at GBP0.010 - 21 March 2018	192,308	1,923	23,077
Share issue at GBP0.010 - 21 March 2018	345,722	3,457	41,487
Share issue at GBP0.010 - 04 June 2018	500,000	5,000	70,000
Share issue at GBP0.010 - 15 November 2018	50,000	1000	4,000

Balance at 30 June 2019	15,246,770	152,467	1,448,340
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8. Events Subsequent to 30 June 2019

On the 9 August 2019 the company raised GBP365,000 by issuing 365,000 Bonds a GBP1 per Bond.

On the 30 August 2019 the company raised GBP59,000 by issuing 421,429 new shares.

On the 23 September 2019 the company raised GBP250,000 by issuing 1,666,667 new shares.

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