

Company number 123821



# **SAFE HARBOUR**

Unaudited Interim Condensed Consolidated  
Financial Statements

For the six months ended 30 June 2019

# **SAFE HARBOUR HOLDINGS PLC**

Company number 123821

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I am pleased to present to shareholders the Interim Condensed Consolidated Financial Statements of Safe Harbour Holdings plc (the “**Company**”) for the six months ended 30 June 2019, consolidating the results of Safe Harbour Holdings plc, Safe Harbour Holdings UK Limited and Safe Harbour Holdings Jersey Limited (collectively, the “**Group**” or “**Safe Harbour**”).

**Strategy**

Safe Harbour aims to become a global leader in B2B distribution and/or business services, through a well-executed buy-and-build strategy. As a team, we intend to draw upon our managerial and operational experience in consolidation and integration to drive business transformation to achieve attractive, long-term compounding returns for our shareholders.

Safe Harbour initially intends to acquire a controlling stake in a platform asset of scale, which operates in a sector demonstrating a large addressable market opportunity, a steady growth outlook, and a high level of fragmentation allowing the deployment of a meaningful buy-and-build strategy to capitalise on economies of scale. It is likely that this platform asset will have operations in the UK, Europe, or North America. We seek businesses that demonstrate stable operating performance and high cash flow conversion, and benefit from competitive barriers to entry. Safe Harbour’s strategy remains to prioritise assets outside competitive auction processes and situations where the Directors believe Safe Harbour has a distinct advantage in acquiring the assets at attractive valuations.

We believe that the publicly-listed nature of our vehicle offers us flexibility in structuring transactions and allows us to unlock opportunities that may not otherwise be available to typical financial sponsors.

**Results and Developments in the Period**

The Group’s loss after taxation for the six months to 30 June 2019 was £1,152,704 (30 June 2018: £1,166,892). In the six months to 30 June 2019, the Group incurred £1,252,697 (30 June 2018: £1,194,680) of administrative expenses, received interest of £99,993 (30 June 2018: £27,788) and at the period end held a cash balance of £25,650,272 (31 December 2018: £26,904,510).

In June 2019, we strengthened our executive management team with the appointment of James Brotherton as Chief Financial Officer and Executive Director. James joined Safe Harbour in June 2019 from Tyman plc, where he held the role of Chief Financial Officer for eight years, successfully consolidating multiple acquisitions across various geographies and end markets. James also brings a wealth of experience in capital markets, having previously been a Director of Investment Banking at Citi. We are delighted to welcome James to the team.

**Dividend Policy**

The Company has not yet acquired a trading business and the Directors therefore consider it inappropriate to make a forecast of the likely level of any future dividends. The Directors intend to determine the Company’s dividend policy following completion of the Company’s first acquisition and, in any event, will only commence the payment of dividends when it becomes commercially prudent to do so. There are no arrangements in place under which future dividends are to be waived or agreed to be waived.

**Risks**

The Directors have carried out a robust assessment of the principal risks facing the Group including those that would threaten its business model, future performance, solvency or liquidity. There have been no changes to the principal risks described in the Group’s annual consolidated financial statements for the year ended 31 December 2018. The Directors are of the opinion that the risks are applicable to the six month period to 30 June 2019, as well as the remaining six months of the financial year. Further detail in relation to the risks faced by the Group can be found on pages 13-15 of the Group Annual Report and Financial Statements for the year ended 31 December 2018, which is available on the Company’s website.

## **SAFE HARBOUR HOLDINGS PLC**

Company number 123821

### **CHAIRMAN'S STATEMENT AND STRATEGIC REPORT**



#### **Outlook**

The Group remains committed to its strategy as an acquisition vehicle and continued to evaluate multiple assets in the period. While the Group reviewed a number of attractive assets, we remain firmly committed to seeking an asset that meets our strict investment criteria. We remain active in pursuing targets across our broad global mandate and remain confident about acquiring an attractive platform business for our shareholders.

**Avril Palmer-Baunack**

Chairman

18 September 2019

**Rodrigo Mascarenhas**

Chief Executive Officer

18 September 2019

## **SAFE HARBOUR HOLDINGS PLC**

Company number 123821

### **RESPONSIBILITY STATEMENT**



Each of the Directors confirm that, to the best of their knowledge:

- (a) these Unaudited Interim Condensed Consolidated Financial Statements have been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit or loss of Safe Harbour; and
- (b) these Unaudited Interim Condensed Consolidated Financial Statements comply with the requirements of Rule 18 of the AIM Rules for Companies and Article 106 of the Companies (Jersey) Law 1991, as amended.

Neither the Company nor the Directors accept any liability to any person in relation to the interim financial report except to the extent that such liability could arise under applicable law.

Details on the Company's Board of Directors can be found on the Company website at [www.safeharbourplc.com](http://www.safeharbourplc.com).

By order of the Board

**Rodrigo Mascarenhas**  
Chief Executive Officer  
18 September 2019

**SAFE HARBOUR HOLDINGS PLC**

Company number 123821

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Note	Six months ended 30 June 2019 Unaudited £	Six months ended 30 June 2018 Unaudited £
Administrative expenses	5	(1,252,697)	(1,194,680)
<b>Operating loss</b>		<b>(1,252,697)</b>	<b>(1,194,680)</b>
Finance income	6	99,993	27,788
<b>Loss before income tax</b>		<b>(1,152,704)</b>	<b>(1,166,892)</b>
Income tax		-	-
<b>Loss for the period</b>		<b>(1,152,704)</b>	<b>(1,166,892)</b>
Total other comprehensive income		-	-
<b>Total comprehensive loss for the period, attributable to owners of the parent</b>		<b>(1,152,704)</b>	<b>(1,166,892)</b>
<b>Loss per ordinary share</b>			
Basic and diluted loss per share attributable to ordinary equity holders of the parent	7	(0.0423)	(0.0595)

The Group's activities derive from continuing operations.

The notes on pages 9 to 14 form an integral part of these condensed consolidated financial statements.

**SAFE HARBOUR HOLDINGS PLC**

Company number 123821

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

		As at 30 June 2019 Unaudited £	As at 31 December 2018 Audited £
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment		2,817	1,302
<b>Total non-current assets</b>		<b>2,817</b>	<b>1,302</b>
<b>Current assets</b>			
Other receivables	9	158,788	73,454
Cash and cash equivalents		25,650,272	26,904,510
<b>Total current assets</b>		<b>25,809,060</b>	<b>26,977,964</b>
<b>Total assets</b>		<b>25,811,877</b>	<b>26,979,266</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Stated capital	11	31,447,419	31,447,419
Share-based payment reserve		93,986	88,069
Accumulated losses		(6,014,680)	(4,861,976)
<b>Total equity</b>		<b>25,526,725</b>	<b>26,673,512</b>
<b>Current liabilities</b>			
Trade and other payables	10	285,152	305,754
<b>Total equity and liabilities</b>		<b>25,811,877</b>	<b>26,979,266</b>

The notes on pages 9 to 14 form an integral part of these condensed consolidated financial statements.

The financial statements were approved by the Board of Directors on 18 September 2019 and were signed on its behalf by:

**Rodrigo Mascarenhas**  
Chief Executive Officer

**Avril Palmer-Baunack**  
Chairman

**SAFE HARBOUR HOLDINGS PLC**

Company number 123821

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	<b>Stated capital</b>	<b>Share- based payment reserve</b>	<b>Accumulated losses</b>	<b>Total equity</b>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
<b>Balance as at 1 January 2019</b>	31,447,419	88,069	(4,861,976)	26,673,512
Loss for the period	-	-	(1,152,704)	(1,152,704)
Share-based payments	-	5,917	-	5,917
<b>Balance as at 30 June 2019 (unaudited)</b>	<u>31,447,419</u>	<u>93,986</u>	<u>(6,014,680)</u>	<u>25,526,725</u>

	<b>Stated capital</b>	<b>Share- based payment reserve</b>	<b>Accumulated losses</b>	<b>Total equity</b>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
<b>Balance as at 1 January 2018</b>	10,000,003	78,784	(2,537,970)	7,540,817
Loss for the period	-	-	(1,166,892)	(1,166,892)
Issue of ordinary shares	22,699,998	-	-	22,699,998
Share issue costs	(1,254,480)	-	-	(1,254,480)
Share-based payments	-	5,145	-	5,145
<b>Balance as at 30 June 2018 (unaudited)</b>	<u>31,445,521</u>	<u>83,929</u>	<u>(3,704,862)</u>	<u>27,824,588</u>

The notes on pages 9 to 14 form an integral part of these condensed consolidated financial statements.

**SAFE HARBOUR HOLDINGS PLC**

Company number 123821

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	Note	Six months to 30 June 2019 Unaudited £	Six months to 30 June 2018 Unaudited £
<b>Operating activities</b>			
Loss before income tax		(1,152,704)	(1,166,892)
Adjustments to reconcile loss before income tax to net cash flows:			
Finance income	6	(99,993)	(27,788)
Depreciation expense		518	438
Share-based payment expense		5,917	4,140
Working capital adjustments:			
(Increase)/decrease in trade and other receivables	9	(85,334)	77,677
Decrease in trade and other payables <sup>1</sup>	10	(29,965)	(34,941)
Interest received	6	99,993	27,788
<b>Net cash used in operating activities</b>		<b>(1,261,568)</b>	<b>(1,119,578)</b>
<b>Investing activities</b>			
Purchase of office equipment		(2,438)	-
Proceeds from sale of office equipment		405	-
<b>Net cash flows used in investing activities</b>		<b>(2,033)</b>	<b>-</b>
<b>Financing activities</b>			
Proceeds from issue of share capital		-	22,699,998
Share issue costs		-	(1,254,480)
Proceeds from issue of incentive shares		9,363	2,211
<b>Net cash flows generated from financing activities</b>		<b>9,363</b>	<b>21,447,729</b>
Net (decrease)/increase in cash and cash equivalents		(1,254,238)	20,328,151
Cash and cash equivalents at beginning of the period		26,904,510	7,787,775
<b>Cash and cash equivalents at the end of the period</b>		<b>25,650,272</b>	<b>28,115,926</b>

The notes on pages 9 to 14 form an integral part of these condensed consolidated financial statements.

<sup>1</sup> £9,363 (2018: £1,206) represents proceeds from issue of A1 and A3 Shares that are classified in trade & other payables in the Statement of Financial Position and as proceeds from the issue of incentive shares in the Statement of Cash Flows.

**1. GENERAL INFORMATION**

Safe Harbour Holdings plc (the “**Company**”) is an investing company for the purposes of the AIM Rules for Companies (“**AIM Rules**”), is incorporated in Jersey and domiciled in the United Kingdom (company number: 123821). It is a public limited company and the address of the registered office is One Waverley Place, Union Street, St Helier, Jersey, JE1 1AX, with a UK establishment address of 11 Buckingham Street, London, WC2N 6DF. The Company is the parent company of Safe Harbour Holdings UK Limited (company number: 10348545) (“**SHHUK**”) and Safe Harbour Holdings Jersey Limited (company number: 121981) (“**SHHJL**”), (collectively, the “**Group**”). The activity of the Company is the acquisition and subsequent development of assets engaged in business-to-business distribution and/or business services.

**2. BASIS OF PREPARATION AND CHANGES TO THE GROUP’S ACCOUNTING POLICIES****(a) Basis of preparation**

These Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2019 have been prepared in accordance with IAS 34 ‘Interim Financial Reporting’ as adopted by the European Union and the AIM Rules. The Interim Report does not include all the notes of the type normally included in an annual financial report. Accordingly, this Report is to be read in conjunction with the annual financial statements for the year ended 31 December 2018, which have been prepared in accordance with IFRS as adopted by the European Union.

These Interim Condensed Consolidated Financial Statements do not comprise statutory accounts within the meaning of Article 105 of the Companies (Jersey) Law 1991, as amended. Statutory accounts, which are available on the Company’s website, [www.safeharbourplc.com](http://www.safeharbourplc.com), for the year ended 31 December 2018, were approved by the Board of Directors on 11 June 2019 and delivered to the Registrar of Companies.

**(b) Going concern**

The Interim Condensed Consolidated Financial Statements have been prepared on a going concern basis, which assumes that the Group will continue to be able to meet its liabilities as they fall due within the next 12 months.

**(c) New standards and amendments to International Financial Reporting Standards**

*Standards, amendments and interpretation effective and adopted by the Group:*

The accounting policies adopted in the preparation of these Interim Consolidated Financial Statements are consistent with those followed in the preparation of the Group’s audited consolidated financial statements for the year ended 31 December 2018, which were prepared in accordance with International Financial Reporting Standards (“**IFRS**”) as adopted by the European Union, updated to adopt those standards which became effective for periods starting on or before 1 January 2018.

*Standards issued but not yet effective:*

The following standards are issued but not yet effective. The Group intends to adopt these standards, if applicable, when they become effective. It is not expected that these standards will have a material impact on the Group.

<b>Standard</b>		<b>Effective date</b>
Amendments to IFRS 3	Business combinations	1 January 2020
Amendments to IAS 1 & IAS 8	Definition of material	1 January 2020
IFRS 17	Insurance Contracts	1 January 2021

### 3. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Condensed Consolidated Financial Statements under IFRS requires the Directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities. 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. Actual results may differ from these estimates.

There are significant estimates and assumptions used in the valuation of the incentive shares. Management has considered, at the grant date, the probability of a successful first acquisition by the Company and the potential range of value for the incentive shares, based on the circumstances on the grant date. The fair value of the incentive shares and related share-based payments were calculated using a Monte Carlo valuation model.

For the period and at the period end, the Directors do not consider that they have made any other significant estimates, judgements or assumptions that would materially affect the balances and results reported in these financial statements.

### 4. SEGMENT INFORMATION

The Board of Directors is the Group's chief operating decision-maker. As the Group had not yet made an acquisition as at 30 June 2019, the Group is organised and operates as one segment.

### 5. EXPENSES BY NATURE

	Six months ended 30 June 2019 £	Six months ended 30 June 2018 £
<b>Group expenses by nature</b>		
Staff related costs	483,022	473,780
Office costs	35,723	31,922
Legal & professional fees	647,689	591,413
Other expenses	86,263	97,565
	<u>1,252,697</u>	<u>1,194,680</u>

### 6. FINANCE INCOME

	Six months ended 30 June 2019 £	Six months ended 30 June 2018 £
Interest on bank deposits	99,993	27,788
	<u>99,993</u>	<u>27,788</u>

**7. LOSS PER ORDINARY SHARE**

Basic earnings per ordinary share is calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period. Diluted earnings per share is calculated by adjusting the number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. Incentive shares have not been included in the calculation of diluted earnings per share because they are anti-dilutive for the periods presented.

	Six months ended 30 June 2019 £	Six months ended 30 June 2018 £
<b>Group</b>		
Loss attributable to the owners of the parent	(1,152,704)	(1,166,892)
Weighted average number of ordinary shares in issue	27,250,001	19,620,628
Basic and diluted loss per share	(0.0423)	(0.0595)

**8. INVESTMENTS****Principal subsidiary undertakings of the Group**

The Company directly owns the ordinary share capital of its subsidiary undertakings as set out below:

Subsidiary	Nature of business	Country of incorporation	Proportion of ordinary shares held by Company	Proportion of ordinary shares held by the Group
Safe Harbour Holdings UK Limited	Dormant vehicle	England	100%	100%
Safe Harbour Holdings Jersey Limited	Incentive vehicle	Jersey	99.97%	100%

There are no restrictions on the Company's ability to access or use the assets and settle the liabilities of the Company's subsidiaries.

**9. OTHER RECEIVABLES**

All receivables are current. There is no material difference between the book value and the fair value of receivables.

	Six months ended 30 June 2019 £	Year to 31 December 2018 £
<b>Amounts falling due within one year</b>		
Other receivables	109,378	42,040
Prepayments	49,410	31,414
	<u>158,788</u>	<u>73,454</u>

**SAFE HARBOUR HOLDINGS PLC**

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**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS****10. TRADE AND OTHER PAYABLES**

	<b>Six months ended 30 June 2019</b>	<b>Year to 31 December 2018</b>
	<b>£</b>	<b>£</b>
Trade payables	90,751	115,631
Accruals	132,287	151,563
Other tax and national insurance payable	43,949	29,755
Other creditors	18,165	8,805
	<b><u>285,152</u></b>	<b><u>305,754</u></b>

There is no material difference between the book value and the fair value of the trade and other payables.

**11. STATED CAPITAL**

	<b>Six months ended 30 June 2019</b>	<b>Year to 31 December 2018</b>
	<b>£</b>	<b>£</b>
<b>Issued and fully paid</b>		
27,250,001 ordinary shares of no par value issued at £1.20 each	32,700,001	32,700,001
Share issue costs	(1,252,582)	(1,252,582)
	<b><u>31,447,419</u></b>	<b><u>31,447,419</u></b>

All issued shares are fully paid. The holders of ordinary shares are entitled to receive dividends as declared and are entitled to one vote per share at general meetings of the Company.

**12. RESERVES**

The following describes the nature and purpose of each reserve within shareholders' equity:

*Share-based payment reserve*

The share-based payment reserve is the cumulative amount recognised in relation to the equity settled share-based payment scheme.

*Retained deficit*

Cumulative net gains and losses recognised in the Consolidated Statement of Comprehensive Income.

**13. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS**

The Group has the following categories of financial instruments at the period end:

	Six months ended 30 June 2019 £	Year to 31 December 2018 £
<b>Financial assets measured at amortised cost</b>		
Cash and cash equivalents	25,650,272	26,904,510
	<u>25,650,272</u>	<u>26,904,510</u>
<b>Financial liabilities measured at amortised cost</b>		
Trade payables	90,751	115,631
Accruals	132,287	151,563
	<u>223,038</u>	<u>267,194</u>

The fair value and book value of the financial assets and liabilities are equal.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. Treasury activities are managed on a Group basis under policies and procedures approved and monitored by the Board. These are designed to reduce the financial risks faced by the Group which primarily relate to movements in interest rates.

**14. RELATED PARTY TRANSACTIONS**

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party, or the parties are under common control or influence, in making financial or operational decisions.

Mark Brangstrup Watts and James Corsellis are managing partners of Marwyn Capital LLP which provides corporate finance advice and various office and finance support services to the Company. During the period Marwyn Capital LLP was paid a total of £375,074 (30 June 2018: £477,717) (net of VAT as applicable). Marwyn Capital LLP was owed an amount of £62,647 (30 June 2018: £nil) at the balance sheet date.

Mark Brangstrup Watts and James Corsellis are managing partners of Marwyn Investment Management LLP which incurred costs on behalf of the Group which it recharged. During the period Marwyn Investment Management LLP charged £10,930 (30 June 2018: £767) in respect of recharged costs and was owed £8,216 (30 June 2018: £nil) at the balance sheet date.

Mark Brangstrup Watts and James Corsellis are the ultimate beneficial owners of Marwyn Partners Limited which incurred costs on behalf of the Group which it recharged. During the period Marwyn Partners Limited charged £5,893 (30 June 2018: £4,738) in respect of recharged costs and was owed £1,549 (30 June 2018: £nil) at the balance sheet date.

## **SAFE HARBOUR HOLDINGS PLC**

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### **NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**



Mark Brangstrup Watts and James Corsellis are the ultimate beneficial owners of Axio Capital Solutions Limited which provides company secretarial, administrative and accounting services to the Group. During the period Axio Capital Solutions Limited charged £157,614 (30 June 2018: £126,696) in respect of services supplied. Axio Capital Solutions Limited was owed an amount of £26,105 (30 June 2018: £25,000) at the balance sheet date.

#### **15. COMMITMENTS AND CONTINGENT LIABILITIES**

There were no commitments or contingent liabilities outstanding at 30 June 2019 that require disclosure or adjustment in these financial statements.

#### **16. POST BALANCE SHEET EVENTS**

There have been no material post balance sheet events that would require disclosure or adjustment to these financial statements.

**Corporate Finance Adviser**

Marwyn Capital LLP  
11 Buckingham Street  
London, WC2N 6DF

**Company Secretary and Administrator**

Axio Capital Solutions Limited  
One Waverley Place, Union Street,  
St Helier,  
Jersey, JE1 1AX

**Principal Bankers**

Barclays Bank plc  
1 Churchill Place  
London, E14 5HP

**Solicitors to the Company (Jersey Law)**

Ogier  
44 Esplanade, St Helier  
Jersey, JE4 9WG

**Solicitors to the Company (English and UK Law)**

Covington & Burling LLP  
265 Strand  
London, WC2R 1BH

**Registrars**

Link Market Services (Jersey) Limited  
12 Castle Street, St Helier  
Jersey, JE2 3RT

**Independent Auditors**

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1 Embankment Place  
London, WC2N 6RH

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