



## SANDPIPERCI GROUP LIMITED UNAUDITED INTERIM REPORT

FOR THE SIX MONTH PERIOD ENDED 27 JULY 2019



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# MANAGEMENT REPORT

The Directors who served throughout the period and up to the date of signing these financial statements were as follows:

## EXECUTIVE DIRECTORS



**Tony O'Neill**  
Executive Chairman



**Tony van der Hoorn**  
Chief Financial Officer

## NON EXECUTIVE DIRECTORS

Stephen Harrison  
Tom Scott

Jon Ravenscroft

## COMPANY INFORMATION

### Registered Number:

97651 (Jersey)

### Company Secretary:

Tony van der Hoorn

### Registered Office:

1-2 L'Avenue Le Bas  
Longueville  
St Saviour  
Jersey JE4 8NB

### TISE Listing Sponsor:

Ravenscroft Limited  
PO Box 222  
20 New Street  
St Peter Port  
Guernsey GY1 4JG

### Independent Auditor:

BDO LLP  
Arcadia House  
Maritime Walk  
Ocean Village  
Southampton  
England SO14 3TL

## FINANCIAL CALENDAR

13th November 2019: \_\_\_\_\_

21st November 2019: \_\_\_\_\_

22nd November 2019: \_\_\_\_\_

16th December 2019 : \_\_\_\_\_

Dividend declaration date and publication of the unaudited interim report 2019

Ex-Dividend date

Dividend record date

Dividend payment date





# EXECUTIVE CHAIRMAN'S REVIEW

*For the six month period ended July 2019*

We successfully listed on The International Stock Exchange on 31st May and now have over 220 local shareholders in our business. This vote of confidence is particularly welcome in what has been a period of continued economic and political uncertainty.



**It seems entirely appropriate that I open our first interim report with a welcome to our new shareholders. We successfully listed on The International Stock Exchange on 31st May and now have over 220 local shareholders in our business. This vote of confidence is particularly welcome in what has been a period of continued economic and political uncertainty.**

The period up to the end of July was particularly busy for our Food Retail division where we finally completed the upgrade of our Iceland stores. This marked the end of 18 months of major disruption as immediately prior to the Iceland work, we had converted all of our Food Hall stores to the Morrisons fascia following the agreement of a new franchise with the plc. We now have new 10-year agreements in place with both of these key partners. At the same time, as has been well documented, the High Street has been under significant external pressure for an extended period and we do not expect that situation to change in the future.

In summary our sales have undoubtedly been depressed in H1 and we recorded a store like-for-like ("lfl") of (1.5%) across our portfolio of brands. This was driven by a combination of the internal upgrade disruption referred

to earlier, together with poor weather in early summer (in particular impacting clothing sales) and challenging lfl's due to the World Cup in 2018. Yet in spite of these headwinds, we maintain a focus on our key cost lines evidenced by the fact that at the end of H1 we remain ahead of both last year and our budget at the ebitda level.

Moving on from our trading performance, we continue to see opportunities to grow our presence in retail, both in the Channel Islands and elsewhere, together with potential expansion into adjacent sectors and to that end have several ongoing exploratory discussions in train. In the meantime, our colleagues remain focused on delivering the service expected in the islands as we work closely with our food franchise partners on preparing for the uncertainty that will prevail until we have clarity over the final Brexit outcome and its impact, particularly on perishable food supplies.

Finally, I am delighted to announce that the board has declared an interim dividend of 1.5p per share for the period ended 27th July 2019.

**Tony O'Neill**  
Executive Chairman  
Former CEO



# FINANCIAL SUMMARY

£000	6 months to 27 July 2019	6 months to 28 July 2018	Change
Revenue	90,864	93,676	(3.0%)
Gross Profit	6,823	7,098	
Rental income	1,531	857	
Operating expenses	(3,961)	(3,611)	
Depreciation and amortisation	(2,245)	(2,176)	
Operating Profit	2,148	2,168	(0.9%)
Finance charges	(556)	(701)	
Taxation	(688)	(632)	
Net Profit	904	835	8.3%
EPS (pence)	0.90	0.84	0.06
EBITDA	4,393	4,344	1.1%
Adjusted EBITDA	4,647	4,384	6.0%
(% to Revenue)	5.1%	4.7%	0.4%



# CONDENSED CONSOLIDATED FINACIAL STATEMENTS

## CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the six month period ended 27 July 2019

£000	6 months ended 27 July 2019	6 months ended 28 July 2018
<b>Turnover</b>	<b>90,864</b>	<b>93,676</b>
Cost of sales	(84,041)	(86,578)
<b>Gross profit</b>	<b>6,823</b>	<b>7,098</b>
Rental income	1,531	857
Admin expenses	(6,212)	(5,999)
Profit on disposal of fixed assets	6	212
<b>Operating profit</b>	<b>2,148</b>	<b>2,168</b>
Finance charges (net)	(556)	(701)
<b>Profit on ordinary activities before taxation</b>	<b>1,592</b>	<b>1,467</b>
Tax on profit on ordinary activities <sup>6</sup>	(688)	(632)
<b>Profit for the financial period</b>	<b>904</b>	<b>835</b>

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six month period ended 27 July 2019

£000	6 months ended 27 July 2019	6 months ended 28 July 2018
<b>Profit for the financial period</b>	<b>904</b>	<b>835</b>
Actuarial gain/(loss) relating to pension scheme	(742)	250
Exchange differences	353	24
<b>Total comprehensive income</b>	<b>515</b>	<b>1,109</b>

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six month period ended 27 July 2019

£000	Share capital	Share premium	Profit and loss account	Total equity
<b>At 27 January 2018 (audited)</b>	-	<b>20,799</b>	<b>29,357</b>	<b>50,156</b>
Profit for the period	-	-	835	835
Actuarial gain	-	-	250	250
Exchange differences	-	-	24	24
Other comprehensive income for the period	-	-	274	274
Total comprehensive income for the period	-	-	1,109	1,109
<b>At 28 July 2018</b>	-	<b>20,799</b>	<b>30,466</b>	<b>51,265</b>

£000	Share capital	Share premium	Profit and loss account	Total equity
<b>At 26 January 2019 (audited)</b>	-	<b>20,799</b>	<b>39,131</b>	<b>59,930</b>
Profit for the period	-	-	904	904
Actuarial loss	-	-	(742)	(742)
Exchange differences	-	-	353	353
Other comprehensive income for the period	-	-	(389)	(389)
Total comprehensive income for the period	-	-	515	515
Divdends	-	-	(754)	(754)
Loan notes	-	-	3,696	3,696
Issue of share capital	-	970	-	970
<b>At 27 July 2019</b>	-	<b>21,769</b>	<b>42,588</b>	<b>64,357</b>





# CONDENSED CONSOLIDATED BALANCE SHEET

As at 27 July 2019

Net Assets £000	27 July 2019	26 January 2019 (audited)
Intangible assets <sup>8</sup>	25,464	26,169
Tangible assets <sup>9</sup>	72,937	66,471
Investments <sup>10</sup>	2	2
<b>Total fixed assets</b>	<b>98,403</b>	<b>92,642</b>
Stocks	9,981	10,447
Debtors <sup>11</sup>	4,865	5,229
Cash at bank and in hand	6,825	7,619
<b>Total current assets</b>	<b>21,671</b>	<b>23,295</b>
Creditors: amounts falling due within one year <sup>12</sup>	(30,679)	(31,127)
<b>Net current liabilities</b>	<b>9,008</b>	<b>(7,832)</b>
<b>Total assets less current liabilities</b>	<b>89,395</b>	<b>84,810</b>
Creditors: amounts falling due after one year <sup>13</sup>	(22,961)	(23,367)
Provisions for liabilities <sup>14</sup>	(1,503)	(1,680)
<b>Net assets excluding pension (liability) / asset</b>	<b>64,931</b>	<b>59,763</b>
<b>Net pensions (liability) / asset</b>	<b>(574)</b>	<b>167</b>
<b>Net assets including pension (liability) / asset</b>	<b>64,357</b>	<b>59,930</b>

Capital and Reserves £000	27 July 2019	26 January 2019 (audited)
Called up share capital <sup>15</sup>	-	-
Share premium account <sup>16</sup>	21,769	20,799
Profit and loss account	42,588	39,131
<b>Shareholders' funds</b>	<b>64,357</b>	<b>59,930</b>

These financial statements were approved by the board of Directors on 11 November 2019 and were signed on its behalf by:

Tony O'Neill  
Director

Tony van der Hoorn  
Director

# CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six month period ended 27 July 2019

Cash flows from operating activities £000	6 months ended 27 July 2019	6 months ended 28 July 2018
<b>Profit for the financial period adjusted for:</b>	<b>904</b>	<b>835</b>
Depreciation, impairment and amortisation of fixed assets	2,120	2,392
Net interest payable	556	701
Taxation expense	688	632
Decrease in stock	466	39
Decrease / (increase) in debtors	364	(395)
Decrease in creditors	(1,207)	(4,114)
Decrease in provisions	(177)	(189)
Profit on disposal	(6)	(212)
<b>Cash from / (used in) operations</b>	<b>3,708</b>	<b>(311)</b>
Taxation paid	(259)	-
<b>Net cash generated from / (used in) operating activities</b>	<b>3,449</b>	<b>(311)</b>

Cash flows from investing activities £000	6 months ended 27 July 2019	6 months ended 28 July 2018
Proceeds from sale of tangible fixed assets	-	212
Purchase of tangible fixed assets	(7,609)	(1,398)
Purchase of subsidiary undertakings	-	(11,375)
Cash acquired with subsidiary undertakings	-	82
<b>Net cash used in investing activities</b>	<b>(7,609)</b>	<b>(12,479)</b>

Cash flows from financing activities £000	6 months ended 27 July 2019	6 months ended 28 July 2018
Repayment of bank loans	(960)	(16,149)
Bank interest paid	(384)	(269)
Repayment of subordinated loans	(103)	(72)
Subordinated loan interest paid	(246)	-
New bank loans	4,724	23,500
New subordinated loans	34	-
Debt issue costs	(50)	(284)
Issue of share capital	1,100	-
Dividends paid	(754)	-
<b>Net cash generated from financing activities</b>	<b>3,361</b>	<b>6,726</b>

£000	6 months ended 27 July 2019	6 months ended 28 July 2018
<b>Net decrease in cash and cash equivalents</b>	<b>(799)</b>	<b>(6,064)</b>
Effect of exchange rates on cash and cash equivalents	5	9
Cash and cash equivalents at beginning of period	7,619	11,778
<b>Cash and cash equivalents at end of period</b>	<b>6,825</b>	<b>5,723</b>

Cash and cash equivalents comprise £000	6 months ended 27 July 2019	6 months ended 28 July 2018
Cash at bank and in hand	6,825	5,723









# NOTES FORMING PART OF THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 1 CORPORATE INFORMATION & NATURE OF OPERATIONS

SandpiperCI Group Limited (formerly Sandpiper Topco Limited) (the “Company”) was registered in Jersey on 7 June 2007 (company number 97651) and listed on The International Stock Exchange (“TISE”) on 31 May 2019.

The Group (as defined in Note 2 below) is principally engaged in the operation of convenience stores and other retail outlets in the Channel Islands, with smaller operations in Southern Spain and Gibraltar.

## 2 BASIS OF PREPARATION

These unaudited condensed consolidated financial statements have been prepared in accordance with Financial Reporting Standard 104 “Interim Financial Reporting” (FRS 104) and with the Listing Rules of the Exchange.

These condensed consolidated financial statements include the financial statements of the Company and its subsidiary undertakings (together the “Group”) for the six month period to 27 July 2019. Certain audited comparatives for the year ended 26 January 2019 are incorporated, in addition to the prior year comparatives for the six month period to 28 July 2018.

These condensed consolidated financial statements for the six month period ended 27 July 2019 should be read in conjunction with the annual report and consolidated financial statements for the year ended 26 January 2019, which were prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (FRS 102).

## 3 GOING CONCERN

The Directors consider that the Group has adequate resources to remain in operation for the foreseeable future. In addition, based on the Group’s cash flow forecasts and projections for the next 12 months from the date of signing these financial statements, the Directors are satisfied that the Group will be able to operate within the level of its facilities for the foreseeable future. For these reasons, the Group continues to adopt the going concern basis in preparing its financial statements.

## 4 ACCOUNTING POLICIES, JUDGEMENTS AND OTHER KEY SOURCES OF ESTIMATION UNCERTAINTY

The accounting policies, presentation and methods of calculation, as well as the judgements and key sources of estimation uncertainty, in these unaudited financial statements are consistent with those followed in the preparation of the Group’s audited consolidated financial statements for the year ended 26 January 2019.



## 5 ANALYSIS OF TURNOVER

By country of destination £000	6 months ended 27 July 2019	6 months ended 28 July 2018
Channel Islands	89,160	92,024
Spain	741	902
Gibraltar	963	750
	90,864	93,676

## 6 TAX ON PROFIT ON ORDINARY ACTIVITIES AND DEFERRED TAX

The tax charge comprises £000	6 months ended 26 January 2019	6 months ended 28 July 2018
Current Channel Islands tax	613	614
Current Gibraltar tax	12	3
Adjustments in respect of prior periods C.I. tax	-	-
Deferred tax liability	63	15
<b>Total tax on profit on ordinary activities</b>	<b>688</b>	<b>632</b>

The differences between the total current tax shown above and the amount calculated by applying the standard rates of Channel Islands income tax to the profit before tax is as follows:

£000	6 months ended 26 January 2019	6 months ended 28 July 2018
<b>Profit on ordinary activities before tax</b>	<b>1,592</b>	<b>1,467</b>
Tax on Group profit on ordinary activities at standard Channel Islands income tax rate of 20%	318	293
Deferred tax	-	15
Effects of Gibraltar trading profits taxable at 10%	12	3
Effects of non-qualifying depreciation & amortisation	310	315
Effects of disallowable expenditure and non-taxable income (net)	(1)	6
Spain losses for which no deferred tax provided	49	-
<b>Group current tax charge for the period</b>	<b>688</b>	<b>632</b>

Although the general company income tax rate in the Channel Islands is 0%, the significant majority of the group's profit (retail activity and rental income) is subject to Channel Islands income tax at 20%.

Therefore, the tax reconciliation is based on an expected effective rate of tax of 20%.

## 7 DIVIDENDS ON EQUITY SHARES

Amounts recognised as distributions to equity holders in the period:

£000	6 Months ended 27 July 2019	6 Months ended 28 July 2018
Paid during the period	754	-
<b>Total dividend paid in the period</b>	<b>754</b>	<b>-</b>





## 8 INTANGIBLE ASSETS

<b>Cost £000</b>	<b>Goodwill</b>	<b>Other</b>	<b>Total</b>
<b>At 26 January 2019 (audited)</b>	48,448	129	48,577
Additions	49	-	49
<b>At 27 July 2019</b>	<b>48,497</b>	<b>129</b>	<b>48,626</b>

<b>Amortisation £000</b>	<b>Goodwill</b>	<b>Other</b>	<b>Total</b>
<b>At 26 January 2019 (audited)</b>	22,311	97	22,408
Charge for the period	751	3	754
<b>At 27 July 2019</b>	<b>23,062</b>	<b>100</b>	<b>23,162</b>

<b>Net Book Value £000</b>	<b>Goodwill</b>	<b>Other</b>	<b>Total</b>
<b>At 27 July 2019</b>	<b>25,435</b>	<b>29</b>	<b>25,464</b>
<b>At 26 January 2019 (audited)</b>	<b>26,137</b>	<b>32</b>	<b>26,169</b>

Goodwill arising on consolidation is being amortised over the Directors' estimate of its useful life of 20 years. The estimate is based on a variety of factors, the principal factors being the longstanding nature and reputation of the businesses acquired within the Channel Islands and assumptions that market participants would consider in respect of similar businesses.



## 9 TANGIBLE FIXED ASSETS

<b>Cost £000</b>	<b>Land &amp; Buildings Freehold</b>	<b>Land &amp; Buildings Leasehold</b>	<b>Other Assets</b>	<b>Total</b>
<b>At 26 January 2019 (audited)</b>	55,742	2,764	17,820	76,326
Additions	4,879	84	3,051	8,014
Effects of exchange	-	-	26	26
Disposals	-	-	(77)	(77)
<b>At 27 July 2019</b>	<b>60,621</b>	<b>2,848</b>	<b>20,820</b>	<b>84,289</b>

<b>Depreciation £000</b>	<b>Land &amp; Buildings Freehold</b>	<b>Land &amp; Buildings Leasehold</b>	<b>Other Assets</b>	<b>Total</b>
<b>At 26 January 2019 (audited)</b>	-	1,737	8,118	9,855
Charge for the period	139	130	1,252	1,521
Effects of exchange	-	-	(24)	(24)
Disposals	-	-	-	-
<b>At 27 July 2019</b>	<b>139</b>	<b>1,867</b>	<b>9,346</b>	<b>11,352</b>

<b>Net Book Value £000</b>	<b>Land &amp; Buildings Freehold</b>	<b>Land &amp; Buildings Leasehold</b>	<b>Other Assets</b>	<b>Total</b>
<b>At 27 July 2019</b>	<b>60,482</b>	<b>981</b>	<b>11,474</b>	<b>72,937</b>
At 26 January 2019 (audited)	55,742	1,027	9,702	66,471

Within Freehold Land and Buildings, the carrying amount comprises:

<b>Investment property fair value £000</b>	<b>27 July 2019</b>	<b>26 January 2019 (audited)</b>
Freehold investment property	21,871	21,871

The Group's investment properties were revalued on 31 December 2018 at fair value by an independent, professionally qualified valuer. The valuations were undertaken in accordance with the Royal Institution of Chartered Surveyors Appraisal and Valuation Manual. The Directors engaged a valuer with a detailed knowledge of the Channel Islands market in order to obtain a precise valuation. These valuations were used as the basis for the investment property values as at 26 January 2019.

As at 27 July 2019, the Directors are of the opinion that the value of the Group's investment properties has not materially changed from the value at 26 January 2019.

Movement in the fair value of investment property is as follows:

**Fair value at 26 January 2019 (audited) and 27 July 2019 £000**

**21,871**

## 10 FIXED ASSET INVESTMENTS

Cost £000	Other investments
At 27 July 2019 and 26 January 2019 (audited)	2

## 11 DEBTORS

£000	27 July 2019	26 January 2019 (audited)
Trade debtors	1,765	2,168
Other debtors	1,032	1,232
Prepayments and accrued income	2,068	1,829
	4,865	5,229

## 12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

£000	27 July 2019	26 January 2019 (audited)
Bank loans	1,847	1,801
Other loans	18	111
Trade creditors	16,435	16,657
Current taxation and social security	5,504	5,397
Other creditors	4,224	3,594
Accruals and deferred income	2,651	3,567
	30,679	31,127





## 13 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

£000	27 July 2019	26 January 2019
Bank loans	22,937	19,219
Loan notes	-	4,148
Other loans	24	-
	22,961	23,367

## 14 PROVISIONS FOR LIABILITIES

£000	Onerous Contracts	Vacant Property	Store Layout	Dilapidations	Deferred Tax	Total
At 26 January 2019 (audited)	432	251	168	163	666	1,680
Utilisation of provisions	(100)	(76)	-	-	-	(176)
Profit and loss charge	-	-	(168)	140	-	(28)
Effects of exchange	17	-	-	-	-	17
Unwinding of discount	-	10	-	-	-	10
At 27 July 2019	349	185	-	303	666	1,503

### Vacant Property

The vacant property provision represents the Group's anticipated future costs on long leasehold property, which is no longer used to generate cash flows in the business.

### Dilapidations

The dilapidations provision represents the Group's anticipated liability for making good certain leasehold property, as detailed in the respective leases, when the lease term on these properties expires.

### Onerous Contracts

Where leasehold stores become loss making, the group provides for all costs, net of anticipated income, to the end of the lease or the anticipated date of the disposal or sub-lease. This provision relates to a number of stores which are loss making in Spain. The provision is expected to be utilised over the life of the related leases of these stores.

## 15 CALLED UP SHARE CAPITAL

Allotted, called up and fully paid no par value shares:

### 26 January 2019 £000

21,361,683 Ordinary shares	-
939,412 'B' Ordinary shares	-

### 27 July 2019

100,000,000 Ordinary shares	-
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In accordance with the requirements of Jersey law, a nominal value of £nil is ascribed to the shares in issue, with the proceeds of issue being credited to the share premium account.

## 16 SHARE PREMIUM

All shares rank pari passu in all respects as to voting rights, dividends and amounts receivable on a winding up and have been classified as equity shares for the purposes of these financial statements.

## 17 FINANCIAL INSTRUMENTS

Group £000	27 July 2019	26 January 2019 (audited)
Financial assets measured at amortised cost	9,622	11,019
Financial liabilities measured at amortised cost	48,136	49,097

Financial assets measured at amortised cost comprise cash, trade debtors and other debtors.

Financial liabilities measured at amortised cost comprise bank and other loans and overdrafts, trade creditors, other creditors and accruals.

## 18 RELATED PARTY DISCLOSURES

Key management personnel are comprised of all Directors who together have authority and responsibility for planning, directing and controlling the activities of the Group. The compensation paid to key management personnel for services provided to the Group is as follows:

£000	6 months to 27 July 2019	6 months to 28 July 2018
Directors' fees and emoluments	611	498
Employer social security	7	6
Share based payments	-	16
Company contributions to money purchase schemes	25	26
	643	546

Shareholders were paid dividends totalling £753,784 during the six month period to 27 July 2019 (six months to 28 July 2018: £nil).

The Group leases certain properties from companies owned by a trust, of which one of the Company's shareholders is a beneficiary. Rent payable to these companies during the six month period to 27 July 2019 was £1,011,798 (six month period to 28 July 2018: £1,011,798).

Payments of Non-Executive Director fees for the six month period to 27 July 2019 were £27,083 (six month period to 28 July 2018: £25,000).

A company, which is related by common Directors, is Investment Manager for a shareholder of the Group. This company has been paid the following fees:

<b>£000</b>	<b>6 months to 27 July 2019</b>	<b>6 months to 28 July 2018</b>
Placing Agent fee	754	-
Listing Sponser fee	53	-
Market Maker fee	2	-
Corporate Finance consultancy fee	58	25
	867	25

## **19** PRINCIPAL SUBSIDIARIES

The Company is the beneficial owner of all the equity share capital of a number of companies, the principal one being:

<b>Name</b>	<b>Place of incorporation and location of business</b>	<b>Principal activity</b>
Citriche Limited	Jersey	Retail and distribution of consumer goods

The undertaking listed above is a subsidiary undertaking. *A full list of subsidiary undertakings is available on application to the Company Secretary.*

