

## Regulatory Story



[Spinnaker Opportunities PLC - SOP](#) Half Yearly Report For the Period Ended 30 June 17  
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Spinnaker Opportunities PLC

21 September 2017

### **Spinnaker Opportunities plc (the "Company")**

#### **Half Yearly Report (Unaudited)**

#### **For the Period Ended 30 June 2017**

Spinnaker Opportunities Plc (LON: SOP), the main market-listed company focused on the execution of a material acquisition in the energy or industrial sectors is pleased to announce its Interim results for the period of seven months ended 30 June 2017.

## **Highlights:**

- Listed on the Standard List in May 2017, raising £1.2 million
- Company was created to seek a single material acquisition with a view to performing a RTO to generate an attractive capital return to its shareholders
- Numerous potential acquisition opportunities were evaluated
- Opportunities considered were weighted towards the oil and gas and the energy sector with some potential targets also in the supply chain and technology arenas
- Continued focus on capital preservation
- Post half year end the number of opportunities have been reduced further identifying a small number of the most attractive candidate
- Spinnaker now intends to take discussions forward with the highest ranking of the businesses under consideration.

# Chairman's Statement

It is with pleasure that I present the interim financial statements to shareholders for the period ended 30 June 2017.

Spinnaker Opportunities Plc ("Spinnaker" or the "Company") was incorporated on 17 November 2016 and received its certificate to commence trading on 20 March 2017. On 17 May 2017 the Company raised £1.2 million in an Initial Public Offering on the Main Market of the London Stock Exchange.

The Offer, which comprised a Subscription and a Placing, was oversubscribed and comprised 24,000,000 New Ordinary Shares issued by the Company at 5p per Ordinary Share together with one Warrant to subscribe for one new Ordinary Share at 7.5p per new Ordinary Share. Gross proceeds were £1.2 million and net proceeds £1.1 million. The board invested an aggregate of £310,000.

Shortly after incorporation, the Company's year-end was adjusted to 31 December 2017 for convenience and therefore these results are presented for the period from incorporation until 30 June 2017. A statement of the financial position as at 31 March 2017 was included within the admission prospectus.

The Company was formed to undertake an acquisition of a target company or business in the industrial or energy sector. Consideration for an acquisition is expected to be funded through the issue of shares to raise cash and directly to the vendors of a target business. The Company is led and governed by a Board comprising four directors with support from an advisory team including legal, financial, technical, investor relations and human resource expertise. The advisory team was formed during the period under review and together with the Board the Company now has a fully resourced and very effective analytical and decision-making process designed around delivering an attractive capital return to its shareholders.

The business model adopted by the Company is one in which there is alignment between the Board, advisers and shareholders. There is a strong focus on capital preservation with no fees being drawn by directors or retained advisers in the period under review and work is kept in-house wherever possible. This commitment will be maintained at least until the first acquisition is secured. The reaction to the Spinnaker business model over the last few months has been extremely positive. The clean cash shell with the expertise that the Board and advisers provide is proving attractive to businesses seeking a listing.

By the end of June 2017 Spinnaker had identified a significant number of potential acquisition targets for screening. These opportunities were weighted towards the oil and gas and the energy sector whilst some potential targets were also in the supply chain and technology arenas. In July, the Company announced that the number of opportunities had been narrowed down to a short list. The Company carried out additional work on those opportunities over the summer with a view to selecting one or two to further develop and upon which to carry out more in-depth diligence. On 12 September the Company issued a further statement confirming that it intended to take discussions forward with the highest ranking of the businesses under consideration. This process is ongoing.

The Company has been designed to operate with efficiency and pace and it is pleasing to see the progress which has been achieved to date. Whilst much remains to be done, we can look forward to the coming months with the confidence that comes from good preparation.

Andy Morrison

Chairman

**21 September 2017**

Certain information contained in this announcement would have been deemed inside information for the purposes of Article 7 of Regulation (EU) No 596/2014 until the release of this announcement.

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#### **About Spinnaker Opportunities**

Spinnaker Opportunities (LON: SOP) is listed on the standard list of the London Stock Exchange, led by a management team with extensive expertise in the oil & gas/energy industries. Spinnaker's strategy is to seek a single material acquisition with a view to performing a Reverse Takeover to generate an attractive capital return to its shareholders by achieving a valuation uplift upon RTO and by selecting a target business that has significant further value growth potential following acquisition.

## Results for the 2017 interim financial period

A summary of the key financial results is set out in the table below:

	<b>30.6.2017</b>
	<b>£'000</b>
<b>Revenue</b>	-
<b>Operating expenses</b>	<b>(131)</b>
<b>Operating loss</b>	<b>(131)</b>
<b>Finance costs</b>	-
<b>Loss before tax</b>	<b>(131)</b>

<b>Taxation</b>	-
<b>Loss for the period</b>	<b>(131)</b>

### Interest

The net interest cost for the company for the period was £nil.

### Loss before tax

Loss before tax for the period was £131,000.

### Taxation

Taxation charge was £nil for the period.

### Earnings per share

Basic and diluted earnings per share for the period were 2.3p loss.

### Financial position

The Company's balance sheet as at 30 June 2017 can be summarised as set out in the table below:

	<b>Assets</b>	<b>Liabilities</b>	<b>Net assets</b>
	£'m	£'m	£'m
	£'000	£'000	£'000
<b>Non-current assets</b>	-	-	-
<b>Current assets and liabilities</b>	1,104	(9)	1,095
<b>Loans and provisions</b>	-	-	-
<b>Total as at 30 June 2017</b>	<b>1,104</b>	<b>(9)</b>	<b>1,095</b>

### Cash flow

Net cash inflow for 2017 was £1.1m.

This inflow reflects the net placing for the Company during the period.

## Interim Condensed Income Statement

32 weeks period ended 30 June 2017

			<b>32 weeks ended</b>
			<b>30.06.17</b>
	<b>Note</b>		<b>£'000</b>
<b>Revenue</b>			-
<b>Cost of sales</b>			-
<b>Gross profit</b>			-
<b>Operating expenses</b>			<b>(131)</b>
<b>Operating loss</b>			<b>(131)</b>
<b>Net finance expense</b>			-
<b>Loss before tax</b>			<b>(131)</b>
<b>Taxation</b>			-
<b>Loss for the period</b>			<b>(131)</b>
<b>Loss attributable to the Company</b>			<b>(131)</b>
<b>Loss per share expressed in pence per share</b>			
<b>From continuing and total operations:</b>			
<b>Basic &amp; diluted loss per share, pence</b>	5		<b>(2.3)</b>

The Company has no items of other comprehensive income.

## Interim Condensed Balance Sheet

As at 30 June 2017

			<b>30.06.17</b>
			<b>£'000</b>
	<b>Note</b>		<b>£'000</b>
<b>Assets</b>			
<b>Current assets</b>			
<b>Receivables and prepayments</b>			<b>9</b>
<b>Cash</b>			<b>1,095</b>
<b>Total current assets</b>			<b>1,104</b>

<b>Current liabilities</b>			
<b>Trade and other payables</b>			<b>9</b>
<b>Net current assets</b>			<b>1,095</b>
<b>Net Assets</b>			<b>1,095</b>
<b>Share capital</b>	<b>3</b>		<b>650</b>
<b>Share premium</b>	<b>3</b>		<b>262</b>
<b>Share based payments reserve</b>	<b>4</b>		<b>314</b>
<b>Retained earnings</b>			<b>(131)</b>
<b>Total equity attributable to equity holders of the parent</b>			<b>1,095</b>

## Interim Condensed Statement of Changes in Equity

32 weeks ended 30 June 2017

	<b>Share capital</b>	<b>Share premium</b>	<b>Share based payments reserve</b>	<b>Retained earnings</b>	<b>Total equity</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Balance at 17 November 2016</b>	-	-	-	-	-
<b>Loss for the period</b>	-	-	-	(131)	(131)
<b>Total comprehensive loss</b>	-	-	-	(131)	(131)
<b>Shares issued in period net of expenses</b>	650	532	-	-	1,182
<b>Share based payments issued</b>	-	(270)	314	-	44
<b>Balance at 30 June 2017</b>	<b>650</b>	<b>262</b>	<b>314</b>	<b>(131)</b>	<b>(1,095)</b>

# Interim Condensed Cash Flow Statement

32 weeks ended 30 June 2017

	<b>32 weeks ended 30.06.17</b>
	<b>£'000</b>
<b>Loss for the period</b>	<b>(131)</b>
<b>Adjustment for:</b>	
<b>(Increase)/decrease in receivables</b>	<b>(9)</b>
<b>Increase/(decrease) in payables</b>	<b>9</b>
<b>Share option expense</b>	<b>44</b>
<b>Net cash used in operating activities</b>	<b>(87)</b>
<b>Cash flows from financing activities</b>	
<b>Shares issued (net of costs)</b>	<b>1,182</b>
<b>Net cash from/(used in) financing activities</b>	<b>1,182</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>1,095</b>
<b>Cash and cash equivalents brought forward</b>	<b>-</b>
<b>Cash and cash equivalents carried forward</b>	<b>1,095</b>

## Notes to the interim condensed financial statements

### For the 32 weeks period ended 30 June 2017

#### 1. General information

Spinnaker Opportunities plc (the Company) is a company incorporated and domiciled in England and Wales. It is a cash shell company listed on the standard list of the London Stock Exchange.

#### 2. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these financial results are set out below. These policies have been consistently applied to all financial periods presented, unless otherwise stated.

### Basis of preparation and going concern basis

The interim condensed financial statements for the 32 weeks ended 30 June 2017 have been prepared in accordance with IAS 34 Interim Financial Reporting.

The interim financial information set out above does not constitute statutory accounts within the meaning of Companies Act 2006. It has been prepared on a going concern basis in accordance with the recognition and measurement criteria of International Financial Reporting Standards (IFRS) as adopted by the European Union (adopted IFRS).

The financial statements have been prepared under the historic cost convention.

As the company was newly incorporated prior to admission to Standard List of London Stock Exchange, the period under review represents the first period of trading for the company. As such, no prior financial information exists for comparison. The interim financial information for the 32 weeks ended 30 June 2017 has not been reviewed or audited. The interim financial report has been approved by the Board on 20<sup>th</sup> September 2017.

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in this review. The financial position of the Company, its cash flows and liquidity position are described in this business review. In addition, the below notes to the financial results include the Company's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments; and its exposure to credit risk and liquidity risk. As highlighted below, the Company meets its day to day working capital requirements through its on-going cash flows.

### Segment reporting

The Company is currently a cash shell and the directors believe that there is no benefit to show any segmental reporting until a new strategy is undertaken.

### Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term highly liquid investments with maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the cash flow statement.

### Share capital

#### *Ordinary shares*

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

### Taxation

Income tax payable is provided on taxable profits using tax rates enacted or substantively enacted at the balance sheet date.

Deferred taxation is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial results. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted at the balance sheet date and are expected to apply when the related balance sheet tax asset is realised or the deferred liability is settled. Deferred income tax assets are recognised to the extent that it is possible that future taxable profit will be available against which temporary differences can be utilised. Income tax is recognised in the consolidated income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

### Critical accounting estimates and judgements

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.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are discussed below.

#### Going concern basis of preparation

The Directors' decision to prepare these accounts on a going concern basis is based on assumptions which are discussed above and in the business review.

### 3. Share capital and share premium

Ordinary shares of 2.5p	Number of shares	Share capital £'000	Share premium £'000
Shares issued on incorporation	120	-	35
Issue of shares during the period	26,000,000	650	600
Share issue costs	-	-	(104)
Warrants issued (Note 4)	-	-	(269)
<b>At 31 January 2015</b>	<b>26,000,120</b>	<b>650</b>	<b>262</b>

On incorporation the Company issued 3 ordinary shares at par value of £1 per share which were subdivided into 120 shares of 2.5p each in March 2017.

On 14 March 2017 the Company issued further 2,000,000 shares at 2.5p per share.

On 17 May 2017 the Company raised £1,200,000 before expenses through a placing of 24,000,000 ordinary shares at 5p per share.

### 4. Share based payments

Share based payments reserve

Movements in the share based payments reserve in the period relate to:

	£'000
<b>At the beginning of the period</b>	-
<b>Warrants issued</b>	270
<b>Share options issued</b>	44
<b>At 30 June 2017</b>	<b>314</b>

## Warrants

		<b>Number of awards</b>	<b>Weighted average exercise price</b>
<b>At the beginning of the period</b>		-	-
<b>Granted</b>		24,790,500	£0.074
<b>At the end of the period</b>		24,790,500	£0.074
<b>Exercisable at 30 June 2017</b>		24,790,500	£0.074

The warrants outstanding at 30 June 2017 have a weighted average remaining contractual life of 2.8 years.

At 30 June 2017, the Company had the following warrants in issue:

	<b>Warrants</b>	<b>Broker Warrants</b>
<b>Date of grant</b>	17-May-17	17-May-17
<b>Number granted</b>	24,000,000	790,500
<b>Contractual life</b>	3 years	3 years
<b>Exercise price</b>	£0.075	£0.05
<b>The estimated fair value</b>	£0.011	£0.017

The Warrants were granted to the subscribers and placees as part of the share subscription and placing.

The Broker Warrants were issued to the Company's brokers and others for their services in connection with the placing.

All the warrants vested at the date of the agreement.

The fair value of warrants issued during the period determined using the Black-Scholes valuation model and a share based payment charge of £270,000 has been recognised in the financial statements as a deduction from the share premium account as the warrants were issued in connection with share subscriptions.

Other significant inputs into the model are:

	<b>Warrants</b>	<b>Broker Warrants</b>
<b>Issue date share price</b>	5p	5p
<b>Risk free rate</b>	0.4%	0.4%
<b>Expected volatility</b>	50%	50%

The average volatility has been calculated by using the average volatility for the Company and other similar companies.

## Share options

	Number of awards	Weighted average exercise price
<b>At the beginning of the period</b>	-	-
<b>Granted</b>	2,600,000	£0.05
<b>At the end of the period</b>	2,600,000	£0.05
<b>Exercisable at 30 June 2017</b>	2,600,000	£0.05

The options outstanding at 30 June 2017 have a weighted average remaining contractual life of 2.8 years.

At 30 June 2017, the following options were issued to directors of the Company under the share option incentive scheme:

<b>Date of grant</b>	<b>17-May-17</b>
<b>Number granted</b>	2,600,000
<b>Contractual life</b>	3 years
<b>Exercise price</b>	£0.05
<b>The estimated fair value</b>	£0.017

All options vested at the date of the agreement.

The fair value of the options issued during the period determined using the Black-Scholes valuation model and a share based payment charge of £44,000 has been recognised in the income statement.

Other significant inputs into the model are:

<b>Issue date share price</b>	<b>5p</b>
<b>Risk free rate</b>	0.4%
<b>Expected volatility</b>	50%

The average volatility has been calculated by using the average volatility for the Company and other similar companies.

## 5. Earnings per share

### Basic and diluted

The basic earnings per share is calculated by dividing the (loss)/profit attributable to the ordinary shareholders of the Company by the weighted average number of Ordinary shares in issue during the period, excluding Ordinary shares purchased by the Company and held as treasury shares.

	Half year ended
	<b>30.06.17</b>
	<b>£'000</b>
<b>(Loss)/profit attributable to equity holders of the Company (£'000)</b>	(131)
<b>Weighted average number of shares in issue</b>	5,653,453
<b>(Loss)/earnings per share (pence)</b>	<b>(2.3)</b>

There are no diluted earnings per share as the share warrants and options currently in issue do not have a dilutive effect.

This information is provided by RNS

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