



**RNS** Half-year/Interim Report

# Correction: Interim Results

## **SPINNAKER ACQUISITIONS PLC**

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Spinnaker Acquisitions PLC  
20 October 2021

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### **Spinnaker Acquisitions Plc**

#### **Correction: Interim Results for the period ended 31 August 2021**

**This is a correction of the interim results announcement released inadvertently during system testing on 19 October 2021 at 07:00 under RNS Number 4286P. The correct announcement contains additional accruals, the inclusion of the impact of share-based-payments, the required Responsibility Statement and expanded notes to the accounts. The full corrected announcement is set out below.**

Spinnaker Acquisitions plc ("Spinnaker Acquisitions", "Spinnaker" or "the Company"), a company quoted on the London Stock Exchange and formed for the purpose of undertaking an acquisition or acquisitions of an interest in a company, business or asset operating in the sustainability and/or energy transition sectors, is pleased to announce its unaudited interim results for the period ended 31 August 2021 ("the Period").

#### **Highlights:**

- Company re-registered as a public company on 12 May 2021
- Raised £2,081,000 through a fund-raising amongst high net worth and sophisticated investors and had shares admitted to trading on LSE Standard List segment on 28 July 2021

#### **Financial:**

- The Company recorded a loss before tax of £186,325 and had cash balances of £1,964,432 at the end of the period on 31 August 2021

#### **Post Period:**

- Addition of two new directors with investment of £65,000 in the Company
- Search for a suitable acquisition target underway

**For further information on the Company, visit: <http://www.spaq.co.uk>**

## **Enquiries**

### **Spinnaker Acquisitions plc**

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## **CHAIRMAN'S STATEMENT**

### ***Review of the Period***

Spinnaker Acquisitions Plc was incorporated as a private company on 23 February 2021 and re-registered as a public company on 12 May 2021. Following the publication of its prospectus on 14 July 2021, a total of 22,110,060 ordinary shares were on 28 July 2021 admitted to the standard segment of the Official List and to trade on the main market for listed securities of the London Stock Exchange plc.

As detailed in its prospectus, the Company raised £65,003 prior to re-registration as a Plc and a further £2,081,000 through an Initial Public Offering ("IPO") fund-raising conducted amongst High Net Worth and Sophisticated Investors. I and my fellow directors are highly appreciative of the investors' response to the IPO which has positioned the Company favourably as a clean cash shell with a material cash resource to inject into a new business in due course.

Since admission, the SPAQ team has turned its attention to the search for a suitable acquisition target. Spinnaker has been set up to help bridge an important funding gap that exists between a rich universe of promising green technologies and businesses and the 'wall of ESG money' that we often hear about. We will be looking out for real-world solutions that can have a measurable impact.

The summer months provided us with an opportunity to organise the search, refine our criteria and start to interact with candidate companies. The sustainability and energy transition sectors are attracting strong public and investor interest, helping to create an opportunity-rich environment with strong government support. In these conditions, we can be highly selective and focus on scalable opportunities that have demonstrated commercial traction. As is so often the case with early-stage companies, it is the quality of the incoming management team and their transaction experience that differentiates between the good and the great - the great being those good opportunities that offer lower execution risk at transaction stage and beyond.

The summer months also saw the initiation of a review by the FCA of certain elements of the UK listing regime. Entitled the Primary Market Effectiveness Review, the consultation opened on 5 July and closed on 17 September 2021. Amongst the proposals being consulted on was an increase in the minimum market capitalisation for premium and standard list segments. Whilst changes in the Listing Rules are not expected to be announced until towards the end of the year, any increase in the minimum market capitalisation could make it more difficult for companies to follow in the footsteps of SPAQ as a clean cash shell. Over time, it may also increase the relative attractiveness of the Alternative Investment Market ("AIM") as a destination for smaller companies seeking re-admission following a reverse takeover ("RTO").

The Company does not plan to pay an interim dividend for the period ended 31 August 2021.

### ***Post-Period Review***

Just after the period end, on 6 September 2021, we were very pleased to welcome two new directors to the Board in Claudia Stijlen and Stefania Barbaglio. Claudia brings valuable experience and green economy delivery capacity to our screening and selection of potential acquisition targets and by stepping up from adviser to director, Stefania strengthens our ability to originate deals as well as continuing to deliver her well-established PR and IR expertise.

To further align interests with existing directors and those of shareholders, Claudia and Stefania (through her company, Cassiopeia Services Ltd) subscribed for 400,000 and 120,000 ordinary shares in the capital of the Company respectively at a price of 12.5 pence per share, raising a further £65,000 for the Company. The Company granted Claudia and Stefania a warrant over one new ordinary share in the capital of the Company for every two new shares subscribed for. The warrants are exercisable at 20.0 pence per share and have the same terms as for the warrants issued at admission and set out in the prospectus.

Taking account of the total funds raised since inception and the transaction and operating costs incurred, the cash balance on Company account as at the current date is £1,987,195.14.

By increasing the size of the Board, the new appointments have enabled the Company to constitute an Audit & Risk Committee comprising independent non-executive directors Tony Harpur (Chair) and Claudia Stijlen and a Remuneration Committee comprising Tony Harpur (Chair) and Stefania Barbaglio. Nomination matters will continue to be handled by the Board acting together. Alan Hume as Finance Director is responsible for the preparation of the financial statements.

The principal risks remain those set out in the prospectus dated 14 July 2021

As laid out in the prospectus, the directors and other SPAQ team members will receive no cash fees for their ordinary duties prior to completion of an acquisition. This policy, together with keeping other operating costs to a minimum, is designed to reserve the highest possible proportion of cash resources for investment in an acquired business and therefore helping to maximise the return on investment for all shareholders.

Upon successful completion of an acquisition, SPAQ team members will share a success fee capped at £200,000, which will be settled in equity.

Overall, I believe we can look back on a good start for the Company. Trading in the Company's shares since admission has been encouraging and the substantive subscription by new directors, carried out at a premium to the IPO fund-raising, provided strong validation of the cash shell model that we have established. I take this opportunity to thank Hill Dickinson, SI Capital and PKF Littlejohn for their important parts in our story to date and to thank the whole SPAQ team for their enthusiasm and commitment of time as well as money.

I look forward to providing further updates concerning the acquisition search process.

**Andrew Morrison**

**Chairman**

**20 October 2021**

### **Responsibility Statement**

We confirm that to the best of our knowledge:

- the Interim Report has been prepared in accordance with International Accounting Standards 34, Interim Financial Reporting, as adopted by the EU; and
- gives a true and fair view of the assets, liabilities, financial position and profit/loss of the Group; and
- the Interim Report includes a fair review of the information required by DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the set of interim financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year.
- the Interim Report includes a fair review of the information required by DTR 4.2.8R of the Disclosure and Transparency Rules, being the information required on related party transactions.
- The Interim Report was approved by the Board of Directors and the above responsibility statement was signed on its behalf by:

**Andrew Morrison**

**Chairman**

**20 October 2021**

# CONDENSED UNAUDITED STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 31 AUGUST 2021

Unaudited period ended 31st August 2021  
£

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Administrative expenses	(186,340)
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Other operating income	15
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<b>Operating loss and loss before tax</b>	<b>(186,325)</b>
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Tax on profit on ordinary activities	-
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<b>Loss after taxation and total comprehensive income for the period</b>	<b>(186,325)</b>
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## Loss per share

Basic loss per share (pence)	3	(3.83) p
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**CONDENSED UNAUDITED STATEMENT OF FINANCIAL POSITION****AS AT 31 AUGUST 2021****Unaudited as at 31st August 2021**  
**£**

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**Current assets**

Other receivables	13,751
Cash and cash equivalents	1,964,432

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**Total current assets** **1,978,183**

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**Current liabilities**

Trade and other payables	(23,603)
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**Total current liabilities** **(23,603)**

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**Net assets** **1,954,580**

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**Capital and reserves**

Called up share capital	1,105,503
Share premium account	990,500
Share option reserve	44,902
Retained earnings	(186,325)

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**Total equity** **1,954,580**

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**CONDENSED UNAUDITED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 AUGUST 2021**

	<b>Share capital £</b>	<b>Share premium account £</b>	<b>Share option reserve £</b>	<b>Retained earnings £</b>	<b>Total £</b>
<b>Balance at 1 March 2021</b>	-	-	-	-	-
comprehensive loss for the period	-	-	-	(186,325)	(186,325)
Total comprehensive expense	-	-	-	(186,325)	(186,325)
Issue of share capital, net of share issue costs	1,105,503	990,500	-	-	2,096,003
Share based payment expense	-	-	44,902	-	44,902
<b>Balance at 31 August 2021</b>	<b>1,105,503</b>	<b>990,500</b>	<b>44,902</b>	<b>(186,325)</b>	<b>1,954,580</b>

## CONDENSED UNAUDITED STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 31 AUGUST 2021

Unaudited period ended 31 August 2021

£

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<b>Cash flows from operating activities</b>	
Operating loss	
<i>Adjusted for:</i>	(186,325)
Share based payment expense	44,902
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Operating cashflow before working capital changes	(141,423)
Increase in receivables	(13,751)
Increase in payables	23,603
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<b>Net cash outflow from operating activities</b>	<b>(131,571)</b>
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<b>Financing activities</b>	
Net proceeds from share issues	2,096,003
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<b>Net cash inflow from financing activities</b>	<b>2,096,003</b>
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<b>Net (decrease)/increase in cash in the period</b>	<b>1,964,432</b>
Cash and cash equivalents at beginning of period	-
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<b>Cash and cash equivalents at end of period</b>	<b>1,964,432</b>

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## NOTES TO THE UNAUDITED INTERIM ACCOUNTS

### FOR THE PERIOD ENDED 31 AUGUST 2021

#### 1. Basis of preparation

The condensed financial statements included in these interim accounts have been prepared under the historical cost convention and in accordance with International Financial Reporting Standards in conformity with the requirements of the Companies Act 2006 (IFRS).

The condensed consolidated interim financial information has been prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting" and presented in GBP.

The company was incorporated on 23 February 2021 and in July 2021 was admitted to Standard List of London Stock Exchange, the period under review represents the first interim set of accounts. The interim financial information for the period ending 31 August 2021 has not been audited. The interim financial report has been approved by the Board on 20 October 2021.

No comparative information is presented as this is the first reporting period of the Company.

The interim financial information for the six months ended 31 August 2021 does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006.

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. As highlighted below, the Company meets its day to day working capital requirements through its on-going cash flows.

The principal accounting policies used in preparing these interim accounts are those expected to be applied in the Company's Financial Statements for the year ending 28 February 2022.

#### 2. Accounting policies

The principal accounting policies adopted in the preparation of these financial results are set out below.

##### 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 include cash in hand and deposits held at call with banks. 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.

##### Share premium

Share premium represents amounts received in excess of the nominal value on the issue of share capital less any costs associated with the issue of shares.

##### 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 Company has approximately £1.96 million cash at the period end. The Directors have prepared the accounts on a going concern basis as they consider that the company has adequate funding.

## **3. Earnings (Loss) per share**

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.

	<b>Unaudited Period ended 31 August 2021 £</b>
Loss used for calculation of basic and diluted EPS	(186,325)
Weighted average number of ordinary shares in issue used for calculation of basic and diluted EPS	4,860,929
<b>Loss per share (pence per share)</b>	
Basic and diluted loss per share:	(3.83)

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

## **4. Share-based payments**

Equity-settled share-based payments are measured at fair value (excluding the effect of non-market based vesting conditions) at the date of grant.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions.

On 28 July 2021, 2,211,005 share options were granted with an exercise price of £0.10 and an expiry period of 3 years.

On 28 July 2021, two tranches of share warrants were issued; 10,405,000 warrants at an exercise price of £0.20 with an expiry period of 4 years and 500,000 warrants at an exercise price of £0.10 with an expiry period of 3 years.

The fair value has been calculated using the Black-Scholes valuation model. The assumptions used in the fair value calculation were as follows:

	Options	Warrants	Warrants
Date of grant	28 July 2021	28 July 2021	28 July 2021
Number	2,211,005	10,405,000	500,000
Exercise price (pence)	10p	20p	10p
Risk free interest (%)	0.5%	0.5%	0.5%
Expected volatility (%)	50%	50%	50%
Expected life (years)	2.9	3.9	2.9

The total share-based payment expense recognised in the income statement for the period ended 31 August 2021 in respect of the share options granted was £44,902.

##### **5. Distribution of Interim Report and Registered Office**

A copy of the Interim Report will be available shortly on the Company's website, <http://www.spag.co.uk> and copies will be available from the Company's registered office, 8<sup>th</sup> Floor, The Broadgate Tower, 20 Primrose Street, London, England, EC2A 2EW.

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