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U.K. SPAC PLC
17 December 2021

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U.K. SPAC Plc

Half-yearly report to 30 September 2021

U.K. SPAC Plc ("the Company") announces its unaudited half-yearly report to 30 September 2021 ("the Period").

- Net loss before tax for the first half of the year was £261k (2020: £69k).
- The company disposed of its trading subsidiaries in the accounting period ended 31 March 2021 and therefore does not have any turnover for the period.

Peter Jay (Executive Chairman) said:

This half-yearly statement covers the period from 1 April 2021 to 30 September 2021 and follows the disposal of Mountfield Building Group Limited and Connaught Access Flooring Holdings Limited, which completed on 3 March 2021, and the Company becoming an AIM Rule 15 cash shell. You may recall that the decision to sell the divisions followed the major impact that they suffered during and following the pandemic lock-down in March 2021.

Although the Company did not trade during the period covered by this statement, the Directors of the Company were actively engaged in sourcing and appraising reverse takeover opportunities following the sales of its two trading divisions.

Following the sales, the Board was reconstituted with the resignations of Andy Collins and Graham Read and by the appointments of Brent Fitzpatrick and Simon Grant-Rennick, two persons with considerable experience of being members of boards of cash shells, to join me on the Board of the Company. Our job was twofold, to manage the affairs of the then non-trading Company and to source a business or asset that could, following a reverse take-over, provide shareholders with value and liquidity.

The sourcing I referred to above involved discussions with a number of entrepreneurs who were looking for a suitable cash shell to reverse their businesses into and also with Peterhouse Capital Limited who had been appointed as the Company's broker and who had raised over £3m for the Company in order to re-position it as a cash shell.

By the end of May 2021, the Directors had been introduced to, and were in extensive discussions with, a company whose business, although nascent, contained not only the assets and business model required to create a substantial operation but also an experienced management team. The Company, Hellenic Dynamics S.A., ("Hellenic") is a company that has been set up in order to become a medical cannabis cultivation business. Based in Northern Greece and with the infrastructure required to undertake a substantial business operation in that sector, Hellenic aims to become a leading grower of medicinal cannabis in Europe within the next few years.

After further negotiation, a binding sale and purchase agreement ("Agreement"), subject to certain conditions including admission to the standard segment of the Official List of the Financial Conduct Authority ("FCA") and to trading on the London Stock Exchange's main market for listed securities ("Standard Listing"), was entered into between the Company and Hellenic on 2 August 2021. The Agreement values the Company at a minimum of £11.76m for the purposes of the transaction and Hellenic at £45.2m. As a result of the Agreement, trading in the shares of the Company were suspended in accordance with the AIM Rules. A long stop date ("Long Stop Date") for completion of the sale and purchase and for admission to the Standard List ("Admission") of the Company's enlarged share capital of 31 October 2021 was agreed and the Company that day submitted a first draft of the prospectus in connection with Admission to the FCA along with an application in respect of a Standard Listing.

The Board of the Company and its advisers had expected the transaction to be completed and Admission to have occurred by 31 October 2021. I am able to tell you that the delays in completing the purchase (and the postponement of the Long Stop Date to 31 January 2022) did not result from any problems with the transaction or those raised by the FCA but from the fact that Hellenic's business will be undertaken in the German and Greek markets and this has substantially increased the due diligence requirements of the transaction and the Company has had to obtain opinions in various jurisdictions. In addition, as Hellenic will be one of the first medicinal cannabis cultivators to undertake a London listing, the FCA, understandably and appropriately, requires an extended period to consider and review such an application due to the nature of Hellenic's product and to review the Company's systems, procedures and controls and licenses.

As the Company and Hellenic said in the announcement that the former put out on 1 November 2021, they are both committed to completing the Agreement at the earliest possible date.

The information contained within this announcement is deemed by the Company to constitute inside information under the Market Abuse Regulation (EU) No. 596/2014.

U.K. SPAC Plc

P eterJay, Chairman

+44(0)1268561516

Simon Grant-Rennick, Non-executive Director

Nigel Fitzpatrick, Non-executive Director

Cairn Financial Advisers LLP

Jo Turner/Sandy Jamieson

+44(0)207213 0880

Peterhouse Capital Limited

Lucy Williams / Eran Zucker

+44 (0)20 7469 0930

Condensed consolidated statement of comprehensive income

For the six months ended 30 September 2021

		6 months to 30 September 2021	6 months to 30 September 2020	15 months to 31 March 2021
		(unaudited)	(unaudited)	(audited)
	Note	£	£	£
Revenue		-	-	-
Cost of sales		-	-	-
Gross profit		-	-	-
Administrative expenses		(261,273)	(117,722)	(414,048)
Operating profit		(261,273)	(117,722)	(414,048)
Net finance costs		-	-	(2,132)
Profit before income tax		(261,273)	(117,722)	(416,180)
Income tax expense	3	-	-	-
Loss from continuing operations		(261,273)	(117,722)	(416,180)
Profit/(Loss) from discontinued operations, net of tax	5	-	48,406	(6,465,990)

Total comprehensive profit for the period		(261,273)	(69,316)	(6,882,170)
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Earnings per share	4			
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Continued operations:

Basic earnings per share		(0.014)p	(0.046)p	(0.115)p
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Diluted earnings per share		(0.007)p	(0.046)p	(0.087)p
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Discontinued operations:

Basic earnings per share		-	0.019p	(1.792)p
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Diluted earnings per share		-	0.019p	(1.353)p
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There are no recognised gains and losses other than those passing through the Statement of Comprehensive Income.

Condensed consolidated statement of financial position

As at 30 September 2021

		30 September 2021	30 September 2020	31 March 2021
		(Unaudited)	(Unaudited)	(audited)
	Note	£	£	£
ASSETS				
Non-current assets				
Investments	6	166,510	-	-
Intangible assets		-	6,874,308	-
Property, plant and equipment		-	112,280	-
Right-of-use assets		-	87,833	-
		166,510	7,074,421	-
Current assets				
Inventories		-	145,355	-

Trade and other receivables		61,264	2,780,768	35,617
Cash and cash equivalents		2,456,832	290,578	2,858,775
		2,518,096	3,216,701	2,894,392
TOTAL ASSETS		2,684,606	10,291,122	2,894,392

EQUITY AND LIABILITIES

Share capital and reserves

Issued share capital	7	4,122,400	2,524,426	4,122,400
Share premium	7	2,816,208	1,490,682	2,816,208
Capital redemption reserve		7,500	7,500	7,500
Merger reserve		-	4,051,967	-
Reverse acquisition reserve		-	(2,856,756)	-
Retained earnings		(4,329,493)	1,463,053	(4,180,798)
TOTAL EQUITY		2,616,615	6,680,872	2,765,310

Current liabilities

Trade and other payables	67,991	3,066,958	129,082
Short-term borrowings	-	210,000	-
Lease liabilities	-	87,833	-
Current tax payable	-	175,459	-
	67,991	3,540,250	129,082
Non-current liabilities			
Loan notes	-	70,000	-
TOTAL LIABILITES	67,991	3,610,250	129,082
TOTAL EQUITY & LIABILITIES	2,684,606	10,291,122	2,894,392

Condensed consolidated statement of changes in equity

For the six months ended 30 September 2021

	Share capital	Share premium	Capital redemption reserve	Reserve	Acquisition reserve	Merger reserve	Retained earnings	Total
	£	£	£	£	£	£	£	£
B a l a n c e at 1 April 2020	2,524,426	1,490,682	7,500	(2,856,756)	4,051,967	1,532,369	6,750,188	
Total comprehensive income	-	-	-	-	-	(69,316)	(69,316)	
B a l a n c e at 30 September 2020	2,524,426	1,490,682	7,500	(2,856,756)	4,051,967	1,463,053	6,680,872	
B a l a n c e at 1 October 2020	2,524,426	1,490,682	7,500	(2,856,756)	4,051,967	1,463,053	6,680,872	
Issue of shares during the year	1,597,974	1,558,026	-	-	-	-	3,156,000	
Share issue costs	-	(232,500)	-	-	-	-	(232,500)	
Transfer of reserves	-	-	-	2,856,756	(4,051,967)	1,195,211	-	
Share based payment charge	-	-	-	-	-	22,516	22,516	
Total comprehensive income	-	-	-	-	-	(6,861,578)	(6,861,578)	
B a l a n c e at 31 March 2021	4,122,400	2,816,208	7,500	-	-	(4,180,798)	2,765,310	
B a l a n c e at 1 April 2021	4,122,400	2,816,208	7,500	-	-	(4,180,798)	2,765,310	

Share based payment charge	-	-	-	-	-	112,578	112,578
T o t a l comprehensive income	-	-	-	-	-	(261,273)	(261,273)
B a l a n c e at 30 September 2021	4,122,400	2,816,208	7,500	-	-	(4,329,493)	2,616,615

Condensed consolidated cash flow statement

For the six months ended 30 September 2021

	6 months to 30 September 2021 (unaudited)	6 months to 30 September 2020 (unaudited)	15 months to 31 March 2021 (audited)
Note	£	£	£
Cash from operating activities:			
Operating profit	(261,273)	(64,938)	(6,850,493)

Adjusted for:

Depreciation		-	25,417	55,032
Loss on disposal of tangible fixed assets		-	-	1,079
Loss on disposal of subsidiaries	5	-	-	6,751,996
Share based payment charge		112,578	-	22,516
(Increase)/ decrease in inventories		-	(11,073)	22,423
(Increase)/ decrease in trade and other receivables		(25,647)	829,777	(1,813,977)
(Decrease)/ increase in trade and other payables		(61,091)	(568,640)	1,830,032
Cash (used in)/ generated by operations		(235,433)	210,543	18,608
Finance costs		-	(4,378)	(17,239)
Taxation paid		-	(5,963)	(181,114)
Net cash (outflow)/inflow from operating activities		(235,433)	200,202	(179,745)

Cash flows from investing activities

Disposal of discontinued operation, net of cash disposed of	5	-	-	(557,980)
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Purchase of property, plant and equipment	-	(16,499)	(31,356)
Acquisition of investment	(166,510)	-	-
Proceeds from sale of property, plant and equipment	-	-	600
Net cash flows from / (used) in investing activities			
	(166,510)	(16,499)	(588,736)
Cash flows from financing activities:			
Proceeds from issues of shares	-	-	3,156,000
Share issue costs	-	-	(232,500)
Lease repayments	-	(15,500)	(36,167)
Repayment of non-convertible loan notes	-	(7,961)	(62,962)
Repayment of short-term loans	-	-	-
Net cash flows from financing activities	-	(23,461)	2,824,371
Net (decrease)/increase in cash and cash equivalents	(401,943)	160,242	2,055,890

Cash and cash equivalents brought forward	2,858,775	130,336	802,885
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Cash and cash equivalents carried forward	2,456,832	290,578	2,858,775
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For the purposes of the cash flow statement, cash and cash equivalents comprise the following:

	As at 30 September 2021	As at 30 September 2020	As at 31 March 2021
	£	£	£
Cash at bank and in hand	2,456,832	290,578	2,858,775
Bank overdraft	-	-	-
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	2,456,832	290,578	2,858,775
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1. Notes to the Interim Report

Basis of preparation

The Company's half-yearly financial statements for the six months ended 30 September 2021 were authorised for issue by the directors on 16 December 2021.

Whilst the Company does not have any subsidiaries during the period, the intention is to make an acquisition before the year ended 31 March 2022 and therefore consolidated accounts will be required for the full year in accordance with IFRS 10. Under AIM rule 18 the interim accounts should be prepared under the same basis as the year end accounts and therefore the accounts and comparatives are referred to as consolidated even though the company had no subsidiaries during the period.

The consolidated half-yearly financial statements, which are unaudited, do not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006. The statutory accounts for the year ended 31 March 2021 have been filed with the Registrar of Companies at Companies House. The audit report on the statutory accounts for the year ended 31 March 2021 was unqualified and did not contain any statements under Section 498 (2) or (3) of the Companies Act 2006.

The annual financial statements of U.K. SPAC Plc for the year ended 31 March 2022 will be prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006, IFRIC Interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. Accordingly, these interim financial statements have been prepared using accounting policies consistent with those which will be adopted by the Company in the financial statements and in compliance with IAS 34 "Interim financial reporting".

The consolidated interim financial statements have been prepared in accordance with the accounting policies set out in the annual financial statements for the year ended 31 March 2021.

Bas is of consolidation

The Group financial information consolidates that of the company and its subsidiaries.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

2. Segmental reporting

Segment information is presented in respect of the Group's business segments prior to the disposal of its subsidiaries on 3 March 2021, which are based on the Group's management and internal reporting structure.

The chief operating decision-maker has been identified as the Board of Directors (the Board). The Board reviews the Group's internal reporting in order to assess performance and allocate resources. Management have determined the operating segments based on these reports and on the internal report's structure.

Segment performance is evaluated by the Board based on revenue and profit before tax ("PBT"). Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis, such as centrally managed costs relating to individual segments and costs relating to land used in more than one individual segment.

Given that income taxes and certain corporate costs are managed on a centralised basis, these items are not allocated between operating segments for the purposes of the information presented to the Board and are accordingly omitted from the analysis below.

The Group comprised up to 3 March 2021 the following segments:

Construction

Direct contracting and trade contracting services to both main contractors and corporate end users.

Fit-out

Providing raised flooring systems to both main contractors and corporate end users.

Segmental operating performance

	Six months to 30 September 2021		Six months to 30 September 2020		Fifteen months to 31 March 2021	
	Segmental revenue	PBT	Segmental revenue	PBT	Segmental revenue	PBT
	£'000	£'000	£'000	£'000	£'000	£'000
Construction	-	-	2,537	10	6,427	171
Fit -out	-	-	2,832	39	6,090	130

	-	-	5,369	49	12,517	301
Inter-segmental revenue and unallocated costs	-	(261)	-	(118)	-	(7,168)
	-	(261)	5,369	(69)	12,517	(6,867)

Business segments assets and liabilities

	Six months to 30 September 2021		Six months to 30 September 2020		Fifteen months to 31 March 2021	
	Segment assets	Segment liabilities	Segment assets	Segment liabilities	Segment assets	Segment liabilities
	£'000	£'000	£'000	£'000	£'000	£'000
Construction	-	-	1,128	1,514	-	-
Fit-out	-	-	3,040	1,668	-	-
	-	-	4,168	3,182	-	-
Goodwill - Construction	-	-	2,000	-	-	-

Goodwill - Fit-out	-	-	4,874	-	-	-
Other unallocated assets & liabilities	2,685	68	9	1,188	2,894	129
	2,685	68	11,051	4,370	2,894	129

Unallocated assets consist of deferred tax, trade and other receivables and cash held by the Company.

Unallocated liabilities consist of trade and other payables and interest-bearing loans owed by the Company.

Revenue by geographical destination

Revenue is attributable to the United Kingdom and other EU markets. Total assets including property, plant and equipment and intangible assets are all held in the UK.

3. Income tax (expense)/credit (continuing operations)

6 months to	6 months to	15 months to 31
		March

	30 September 2021	30 September 2020	2021
	(unaudited)	(unaudited)	(audited)
	£	£	£
Current tax on income for the period	-	-	14,438
Deferred tax (expense)	-	-	-
Income tax (expense)/credit in the income statement	-	-	14,438

4. Earnings per share

The basic earnings per share is calculated by dividing the earnings attributable to equity shareholders by the weighted average number of shares in issue. In calculating the diluted earnings per share, share options outstanding have been taken into account where the impact of these is dilutive.

The weighted average number of shares in the period was:

6 months to	6 months to	15 months to
30 September 2021	30 September 2020	31 March 2021
(unaudited)	(unaudited)	(audited)

	Number	Number	Number
Basic ordinary shares of 0.1p each	1,852,219,137	254,244,454	360,776,100
Dilutive ordinary shares from warrants & options	1,758,728,084	-	117,248,538
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Total diluted	3,610,947,221	254,244,454	478,024,638
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Earnings attributable to equity shareholders of the parent

	6 months to 30 September 2021 (unaudited) £	6 months to 30 September 2020 (unaudited) £	15 months to 31 March 2021 (audited) £
Continuing operations			
Basic earnings per share	(0.014)p	(0.046)p	(0.115)p

Diluted earnings per share	(0.007)p	(0.046)p	(0.087)p
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Discontinuing operations

Basic earnings per share	-	0.019p	(1.792)p
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Diluted earnings per share	-	0.019p	(1.353)p
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5. Disposal of Subsidiaries

On the 3rd March 2021, the Company sold both its construction and fit-out segments. Details of the results, cash flow activities and impact on the Company's balance sheet in the prior year have been detailed below;

Results of discontinued operations

	6 months to September 2020	15 months to March 2021
	£	£
Revenue	5,369,281	12,517,575

Cost of sales	(4,690,097)	(11,001,920)
Gross profit	679,184	1,515,655
Administrative expenses	(626,400)	(1,200,104)
Operating profit	52,784	315,551
Net finance costs	(4,378)	(15,107)
Profit before income tax	48,406	300,444
Income tax expenses	-	(14,438)
Profit from operating activities	48,406	286,006
Loss on sale of discontinued operations	-	(6,751,996)
Loss/(Profit) from discontinued operations, net of tax	48,406	(6,465,990)

Effect of disposal on the financial position of the Group

6. Investments

£

Goodwill	(6,874,308)
Property, plant and equipment	(112,413)
Right-of-use assets	(74,917)
Inventories	(124,610)
Trade and other receivables	(5,321,683)
Cash and cash equivalents	(1,513,502)
Trade and other payables	3,306,437
Net assets and liabilities	(10,714,996)
Consideration received, in cash	955,522
Cash and cash equivalents, disposed of	(1,513,502)
Net cash inflows	(557,980)
Consideration received, in cash	955,522
Repayment of intercompany loans	3,007,478
Total consideration	3,963,000

Investments

Cost

At 1 April 2021	-
Additions	166,510
At 30 September 2021	166,510

Accumulated Impairment provisions

At 1 April 2021	-
Impairment provision	-
At 30 September 2021	-

Net book value

At 1 April 2021	-
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At 30 September 2021

166,510

Investments represent professionals incurred in respect of the proposed investment in Hellenic as further disclosed in note 8.

7. Share Capital

	30 September 2021		31 March 2021	
	Number	£	Number	£
Allotted, called up and fully paid				
Ordinary shares of 0.1p each	1,852,219,137	1,852,218	1,852,219,137	1,852,218
Founder shares of £1 each	2,270,182	2,270,182	2,270,182	2,270,182
		4,122,400		4,122,400

2,270,182 Founder shares were issued in 2016. The founder shares are not quoted and do not carry a right to vote or to receive a dividend.

During the period 1,597,974,683 0.01p ordinary shares were issued at a value of 0.1975p per share.

Warrants

Details of the warrants outstanding during the period are as follows;

	Weighted average remaining contractual life (years)	Number	Weighted average exercise price £
Brought forward at 1 April 2021	<u>0.92</u>	<u>1,647,594,936</u>	<u>0.003</u>
Granted	-	-	-
Lapsed	-	-	-
Carried forward at 30 September 2021	<u>0.92</u>	<u>1,647,594,936</u>	<u>0.003</u>

Share Options

Details of the equity settled EMI share options outstanding during the period are as follows:

	Number	Weighted average remaining contractual life (years)	Weighted average exercise price £
Brought forward at 1 April 2021	111,133,148	1.5	0.002
Granted	-	-	-
Lapsed	-	-	-
Carried forward at 30 September 2021	<u>111,133,148</u>	<u>1.5</u>	<u>0.002</u>

The fair value of the remaining share options has been calculated using the Black-Scholes model. The assumptions used in the calculation of the fair value of the share options outstanding during the year are as follows:

Grant Date	3 March 2021
Exercise period	March 2021 - September 2022
Share price at date of grant	0.33p
Exercise price	0.1975p
Shares under option	111,133,148
Expected volatility	26%
Expected life (years)	1.5
Risk free rate	0.01%

Expected dividend yield	0%
Fair value per option	0.12p

Volatility was determined by reference to the standard deviation of expected share price returns based on a statistical analysis of the daily share value of the AIM All-Share Market over a 1-year period to grant date. All of the above options are equity settled and the charge for the period is £112,578 (*Mar 2021 - £22,516*).

8. Financial commitments

On 2 August 2021, the Company has announced that it had signed a binding sale and purchase agreement with Hellenic in relation to the acquisition of 100 per cent. of the issued share capital of Hellenic. Hellenic is a European medical cannabis cultivation company.

The proposed Acquisition is classified as a reverse takeover pursuant to Rule 14 of the AIM Rules for Companies.

The agreed consideration of £45.2 million is to be fully satisfied by way of the issue of an expected maximum of 9,578,937,499 new ordinary shares in the Company at an expected minimum of 0.472 pence per ordinary share.

The transaction is subject to the following conditions;

- a minimum cash balance held on completion by UK SPAC of £3.92 million, net of transaction costs;
- proposed admission of enlarged group, at a market capitalisation of more than £50 million, to the standard segment of the Official List of the Financial Conduct Authority ("FCA") and to trading on the London Stock Exchange's main market for listed securities;

As a result of the necessity for the enhanced legal and due diligence work, the Company and Hellenic have agreed to extend the completion date to 31 January 2022. All other terms in the Agreement remain unchanged.

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