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U.K. SPAC PLC
30 June 2021

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U.K. SPAC Plc

("UK SPAC" or "Company")

Final Results for the Period ended 31 March 2021

The Directors of U.K. SPAC Plc announce the Company's final results for the period ended 31 March 2021 ("Final Results").

The Annual Report and Accounts for the period ended 31 March 2021 will shortly be posted to shareholders and uploaded to the Company's website, www.ukspacplc.com.

For further information, please contact:

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CHAIRMAN'S REPORT

The Board of UK SPAC Plc ("the Company") presents its report on the accounts for the fifteen month period ended 31 March 2021.

Key Features

- **The Company's two trading subsidiaries were disposed of and it became a cash shell**
- **The Group produced a loss before tax and after disposal of subsidiaries during the period of £6,867,732** (2019: £840,740 - profit).
- **Turnover (discontinued operations)** : £12.5m (2019: £21m)
- **Net cash position** : £2,858,775 (2019: £802,885)
- **Gross Margin (discontinued operations)** : 12.11% (2019: 10.4%)

Financial Performance

The period, which was the most difficult that the Company and its subsidiaries, (together "the Group") had endured since the Recession of 2008/9 saw dramatic changes to its trading environment and to the fortunes of the Group itself.

As explained below, the Company disposed of both of its trading subsidiaries on 3 March 2021. These financial statements contain the results of the subsidiaries to the date of their disposal and of the Company for the entire fifteen-month period.

As expected, the results for the period to 31 March 2021 show a significant decline in the fortunes of the subsidiaries in the period with the result that the underlying trading performance of the Group resulted in revenues of £12.5m for the period to disposal compared to £21m for the 12 months to 31 December 2019.

The results then show the loss on disposal of the subsidiaries together with the costs of disposal.

Simultaneous with the disposal of the subsidiaries, at which point the Company became an AIM Rule 15 Cash Shell, a placing was undertaken by the Company's brokers raising gross proceeds of £3.1m. At the year-end, £2.86m was retained and this put the Company in a strong position to pursue its new strategy of acquiring a new business or asset by way of a reverse acquisition.

Disposal of subsidiaries

The Group was formed in October 2008 following Group's acquisition of the shares of Mountfield Building Group Limited ("MBG") and Connaught Access Flooring Limited ("CAF") both of which were suppliers of specialist construction services. In the same month, the Group's shares were admitted onto AIM.

Although financial results in 2019 were disappointing, the Board was optimistic in January 2020 that the Group's performance in the coming year would show an improvement on that of the previous year.

That optimism (balanced however by concerns over the impact of Brexit) ended with the first lock-down in March 2020. For several weeks construction activity was frozen across the industry and even after sites were re-opened, activity levels and demand for construction services remained very low.

There was also the apparent structural change that caused concern to the Board - large numbers of employees and of employers found that home working provided a number of advantages, and it appeared likely that as a result, working practices would not necessarily revert to previous patterns when the pandemic ends.

The Board acknowledged that the impact of this structural change was likely to impact adversely on the business of CAF which was focussed on the supply and installation services of large flooring areas for banking, finance and professional businesses in the City of London and Canary Wharf and which had been the more profitable of the two subsidiaries.

Although the business of MBG was less likely to be affected by these changes, demand for its services was weakened by the pandemic and by Brexit.

The Board saw little prospect of the business of either of the subsidiaries returning to the pre-pandemic levels of profitability in the short to medium term and was concerned that, at this level of trading activity, its marginal profitability and limited cash generation made it increasingly difficult to maintain the cost of the Company's AIM quotation. The Board therefore made the decision that it would be in the best interests of its shareholders for the Company to dispose of its two subsidiaries and that it should reinvest in another sector or opportunity. It was concluded that offers made by the chief executives of the two subsidiaries were in the best interests of shareholders and, in separate transactions but on the basis that both subsidiaries were sold, the Company was left free of any liabilities. The Board was advised that the terms of the sales were fair and reasonable.

The sale of the subsidiaries was completed on 3 March 2021 and the Board decided that the accounting period should be extended to 31 March 2021 so that it terminated after the Company ceased to own any trading businesses.

On completion of the two sales, the executive directors (Andy Collins, who acquired CAF, and Graham Read, who acquired MBG) resigned from the Board and I was joined by two new non-executive directors, Nigel Fitzpatrick and Simon Grant-Rennick, both of whom had extensive experience of corporate transactions and of being board members of listed companies. The Company also changed its name to U.K. SPAC Plc.

Outlook for the Group

The sale was accompanied by a placing by its brokers, Peterhouse Capital Limited, of the Company's ordinary shares to raise £3.1m in order that it may be changed from a trading company into an AIM Rule 15 cash shell with the intention that the Board, with its new composition post the sale of the subsidiaries, would look for a company that could be the subject of a reverse acquisition and which, it was hoped, would result in the value creation for shareholders.

Within six months of it having become an AIM Rule 15 cash shell (on 3 March 2021), the Company must make an acquisition or acquisitions which constitutes a reverse takeover under AIM Rule 14 failing which its shares would be suspended from trading. Since 3 March, the newly constituted Board has been engaged in seeking an acquisition that has the prospect of creating value for the shareholders of the Company.

The Board currently comprises:

Peter Jay - Executive Chairman - in addition to being Chairman, Peter also manages the Company's relationships with its nomad, brokers and professional advisers. Peter was formerly a corporate lawyer and a partner in DAC Beachcroft LLP.

Simon Grant-Rennick - Non-Executive Director - Simon Grant-Rennick graduated from the Camborne school of mines and has been actively involved with mining, metal trading and agriculture for over 35 years . During this time has served on both private companies and public companies listed in the UK, Australia and America

Nigel Fitzpatrick - Non-Executive Director - Nigel Fitzpatrick has had over 20 years' experience as a corporate finance consultant and brings with him considerable quoted company experience, with current directorships including Lombard Capital Plc, Path Investments Plc and Vela Technologies Plc. He has been instrumental in advising a number of companies on their acquisitions, funding and subsequent flotations.

On 3 March 2021 Andrew Collins the Group CEO and managing director of CAF and Graham Read the managing director of MBG resigned from the Board of the Company.

<u>Group Companies</u>

At 31 March 2021 the Company had no subsidiaries.

Finance

The Company had no finance facilities in place at 31 March 2021, however it had significant cash resources at its disposal.

Company's strategy

The Company's share capital is traded on AIM, part of the London Stock Exchange. Having disposed of its trading businesses on 3 March 2021 the Company is currently an AIM Rule 15 cash shell following a placing of £3.1m of its Ordinary Shares that was undertaken by its brokers, Peterhouse Capital Limited.

As a cash shell the Company is required to make an acquisition or acquisitions which together constitute a reverse takeover under AIM Rule 14 within six months of 3 March 2021 or be re-admitted to trading on AIM as an investing company under the AIM Rules (which would require the raising of at least £6m) failing which the Company's Ordinary Shares would be suspended from trading on AIM.

The Directors of U.K. SPAC Plc are currently looking to source a company, the acquisition of which would constitute a reverse take-over and also provide the basis for providing value to its shareholders.

Section 172(1) statement

The Board has a legal responsibility under section 172 of the Companies Act 2006 to act in the way we consider, in good faith, would be most likely to promote the Company's success for the benefit of its members as a whole and to have regard to:

- the likely consequences of any decision in the long term,
- the interests of the Company's employees,
- the need to foster the Company's business relationships with suppliers, customers and others,
- the impact of the Company's operations on the community and the environment,
- the desirability of the Company maintaining a reputation for high standards of business conduct, and

- the need to act fairly as between members of the Company.

Information on how the directors have regard to the requirements of section 172(1) can be found throughout the Strategic Report and as more specifically detailed below.

As disclosed in the Directors' Report the Company complies the QCA Corporate Governance Code and based on its principals they develop and adapt the Company's strategy with the aim of promoting long-term value to shareholders.

As stated above this statement during the period the strategy of the Company has been adapted to reflect uncertainties in the construction sector and wider economy primarily due to the COVID-19 pandemic. The strategy will be reviewed regularly by the Board to ensure that it is appropriate to the Company and in the best interests of the key stakeholders.

The Board keeps the Company's shareholders updated about developments relating to the Company through RNS announcements.

In addition to its shareholders the key stakeholders include employees, customers, suppliers and local communities in which our businesses reside.

Whatever sector the Company makes an acquisition in, it will insist on regular communication with stakeholders, customers, suppliers and staff, both formal and informal, and will provide managers with the input they require on a daily basis and allows them to respond to the feedback in similar manner.

Principal risks

The principal risks and uncertainties that faced the Company and Group during the period relate to:

COVID-19

COVID-19 brought with it many risks to the Group's business in terms of working practices and impact on the economy.

The Group worked with its employees, suppliers and customers to introduce COVID-19 safe working practices on site and its offices.

At the year end the Company has little risk relating to COVID-19.

Economic downturn and other macroeconomic factors

The Group's success was substantially dependent on the general level of economic activity and economic conditions in the United Kingdom.

Many of the Group's contracts, including renewals or extensions of previous contracts, were awarded through competitive bidding processes. Any downturn in the economy, or any other macroeconomic factor, either in the UK or globally, may reduce the number of contracts coming up for bidding.

The competitive bidding processes present a number of additional risks, including the incurrence of substantial cost and managerial time to prepare bids and proposals for contracts that the Group may not ultimately win.

The Company is currently in a strong position with its substantial cash resources to deal with any economic downturn.

Reliance on key customers and clients

The Company does not currently have any key customers or clients.

Reliance on subcontractors

The Company does not currently have reliance on any subcontractors.

Attraction and retention of key employees

The Company's future success is substantially dependent on the continued services and performance of its Directors.

Health and safety

The Group undertook Construction activities, often working within difficult conditions and with heavy machinery which, if improperly used, could result in personal injury or in extreme cases, fatalities.

The Group takes the health and safety of its employees and clients very seriously and employs Health and Safety advisers on all significant contracts. It also has a firm of Health and Safety Advisers with whom it consults on a regular basis.

The Company has no significant risk in this area at the period end.

Acquisition of subsidiaries

Within six months of it having become an AIM Rule 15 cash shell (on 3 March 2021), the Company must make an acquisition or acquisitions which constitutes a reverse takeover under AIM Rule 14 or its shares will be suspended from trading and since 3 March the newly constituted Board.

The Company has significant cash resources to enable it to make such acquisition or acquisitions.

Key performance indicators

The Directors use a number of performance indicators which are used to manage the business but, as with most businesses, the focus in the Statement of Comprehensive Income at the top level is on sales, margins, and profit before tax. In the Statement of Financial Position the focus is on managing working capital. The key performance indicators for the Group were turnover, gross profit margin and operating profit, as disclosed in the Strategic Report. These are no longer relevant at the year end following the disposal of the subsidiaries.

Financial instruments

Details of the Company's financial risk management objectives and policies are included in note 21 to the financial statements.

Peter Jay

Executive Chairman

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 31 MARCH 2021

	15 months to 31 March 2021	Year to 31 December 2019
	£	£
Revenue	**-**	-
Cost of sales	**-**	-
Gross profit	**-**	-
Administrative expenses	**(414,048)**	(261,568)
Operating loss	**(414,048)**	(261,568)
Net finance costs	**(2,132)**	(9,158)
Loss before income tax	**(416,180)**	(270,726)
Income tax expense	**-**	(5,562)
Loss from continuing operations	**(416,180)**	(276,288)

(Loss)/profit from discontinued operations, net of tax	**(6,465,990)**	942,301
(Loss)/profit for the year and total comprehensive income	**(6,882,170)**	666,013

Earnings per share

Continued operations:

Basic earnings per share	**(0.115)p**	(0.109)p
Diluted earnings per share	**(0.087)p**	(0.109)p

Discontinued operations:

Basic earnings per share	**(1.792)p**	0.371p
Diluted earnings per share	**(1.353)p**	0.371p

There are no recognised gains and losses other than those passing through the Statement of Comprehensive Income.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2021

	31 March 2021	31 December 2019
	£	£
ASSETS		
Non-current assets		
Intangible assets	**-**	6,874,308
Property, plant and equipment	**-**	101,601
Right-of-use assets	**-**	18,083
	-	6,993,992
Current assets		
Inventories	**-**	147,033
Trade and other receivables	**35,617**	3,543,322

Cash and cash equivalents	**2,858,775**	802,885
	2,894,392	4,493,240
TOTAL ASSETS	**2,894,392**	11,487,232
EQUITY AND LIABILITIES		
Issued share capital	**4,122,400**	2,524,426
Share premium	**2,816,208**	1,490,682
Capital redemption reserve	**7,500**	7,500
Merger reserve	**-**	4,051,967
Reverse acquisition reserve	**-**	(2,856,756)
Retained earnings	**(4,180,798)**	1,483,645
TOTAL EQUITY	**2,765,310**	6,701,464
Current liabilities		
Trade and other payables	**129,082**	4,199,058
Short-term borrowings	**-**	297,199
Lease liabilities	**-**	18,083
Corporation tax liability	**-**	181,428
	129,082	4,695,768
Non-current liabilities		
Loan notes	**-**	90,000
	129,082	4,785,768
TOTAL EQUITY AND LIABILITIES	**2,894,392**	11,487,232

CONSOLIDATED CASH FLOW STATEMENT

FOR THE PERIOD ENDED 31 MARCH 2021

	Period to 31 March 2021	Year to 31 December 2019
	£	£
Cash flows from operating activities		
Operating profit	**(6,850,493)**	850,851
Adjusted for:		
Depreciation	**55,032**	44,611
Loss on disposal of tangible fixed assets	**1,079**	-
Loss on disposal of subsidiaries	**6,751,996**	-
Share based payment charge	**22,516**	
Decrease/(increase) in inventories	**22,423**	(31,731)
Increase trade and other receivables	**(1,813,977)**	(1,132,254)
Increase in trade and other payables	**1,830,032**	777,976
Cash generated in operations	**18,608**	509,453

Finance costs	**(17,239)**	(10,111)
Taxation paid	**(181,114)**	(223,088)
Net cash inflow from operating activities	**(179,745)**	276,254
Cash flows from investing activities		
Disposal of discontinued operation, net of cash disposed of	**(557,980)**	-
Purchases of property, plant and equipment	**(31,356)**	(12,557)
Proceeds from sale of property, plant and equipment	**600**	-
Net cash (used in)/generated from investing activities	**(588,736)**	(12,557)
Cash flows from financing activities		
Proceeds from issues of shares	**3,156,000**	-
Share issue costs	**(232,500)**	
Lease payments	**(36,167)**	(31,000)
Repayment of non-convertible loan notes	**(62,962)**	(36,001)
Repayment of short-term loans	**-**	(71,558)
Net cash flows (used in)/generated from financing activities	**2,824,371**	(138,559)
Net cash increase in cash and cash equivalents	**2,055,890**	125,138
Cash and cash equivalents brought forward	**802,885**	677,747
Cash and cash equivalents carried forward	**2,858,775**	802,885

During the year the Group disposed of its subsidiaries for a consideration of £3,963,000 of which £3,007,478 was settled by utilising the outstanding intercompany and loan note balances.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 31 MARCH 2021

	Share capital	**Share premium**	**Capital redemption reserve**	**Merger reserve**	**Reverse acquisition reserve**	**Retained earnings**	**Total**
At 1 January 2019	**2,524,426**	**1,490,682**	**7,500**	**4,051,967**	**(2,856,756)**	**817,632**	**6,035,451**

Total comprehensive income for the year	-	-	-	-	-	666,013	666,013
At 31 December 2019	**2,524,426**	**1,490,682**	**7,500**	**4,051,967**	**(2,856,756)**	**1,483,645**	**6,701,464**
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	-	-	-	(4,051,967)	2,856,756	1,195,211	-
Share based payment charge	-	-	-	-	-	22,516	22,516
Total comprehensive income for the year	-	-	-	-	-	(6,882,170)	(6,882,170)
At 31 March 2021	**4,122,400**	**2,816,208**	**7,500**	**-**	**-**	**(4,180,798)**	**2,765,310**

Merger Reserve

The merger reserve exists as a result of the acquisitions of Mountfield Building Group Limited, MBG Construction Limited, Connaught Access Flooring Holdings Limited and Mountfield Land Limited where the consideration included the issue of new shares by the Company, thereby attracting merger relief under the Companies Act 2006. The merger reserve represents the difference between the nominal value of the share capital issued by the Company and the fair value of those shares at the date of acquisition.

A transfer has been made from the merger reserve to retained earnings to reflect amounts that have become realised through impairment write downs in previous accounting periods and the disposal in the current year.

Reverse Acquisition Reserve

The reverse acquisition reserve exists as a result of the method of accounting for the acquisition of Mountfield Building Group Limited and MBG Construction Ltd (note 1.5).

A transfer has been made from the reserve acquisition reserve to retained earnings to reflect amounts that have become realised following the disposal of the its subsidiaries.

Share Capital

Share capital represents the nominal value of shares that have been issued.

Share premium

Share premium represents the difference between the nominal value of shares issued and the total consideration received.

Capital redemption reserve

Capital redemption reserve represents amounts transferred following the purchase of own shares.

Retained earnings

Retained earnings represent cumulative profit or losses, net of dividends and other adjustments

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2021

1. **General information**

U.K. SPAC Plc is a public company limited by shares and incorporated in England and Wales. The registered number of the Company is 06374598. The address of its registered office is 3rd Floor, 80 Cheapside, London, EC2V 6EE.

Above is an extract from the Final Results for the period ended 31 March 2021 and, therefore, references page numbers and notes refer to the Final Results and not this extract. The Final Results, which will shortly be posted to all shareholders and available on the Group's website, should be read in full.

The financial statements are for the 15 months to 31 March 2021 while the comparative period is for the 12 months to 31 December 2019. The accounting period was extended to 31 March 2021 in order to encompass the sale of its former subsidiaries and to ensure the change in activity is split into appropriate reporting periods.

During the year, the Company changed its name from Mountfield Group Plc to U.K. SPAC Plc.

2. **Going concern**

The financial statements have been prepared on a going concern basis. The Company's intention is to make an acquisition and currently has sufficient cash resources in order to maintain its proposed plans for at least twelve months from the date of approval of these financial statements. The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and are confident that further funding would be obtainable if required.

3. 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. The diluted earnings per share is calculated by dividing the earnings attributable to equity shareholders by the weighted average number of shares in issue plus the number of warrants and share options.

	2021	2019
Basic earnings per share (from continuing operations)	**£**	£
Loss for the financial year	**(416,180)**	(276,288)
Weighted average number of shares	**360,776,100**	254,244,454
	2021	2019
Basic earnings per share (from discontinued operations)	**£**	£
(Loss)/Profit for the financial year	**(6,465,990)**	942,301
Weighted average number of shares	**360,776,100**	254,244,454
Diluted earnings per share (from continuing operations)	**£**	£
Loss for the financial year	**(416,180)**	(276,288)
Weighted average number of shares	**478,024,638**	254,244,454

	2021	2019
Diluted earnings per share (from discontinued operations)	**£**	£
(Loss)/Profit for the financial year	**(6,465,990)**	942,301
Weighted average number of shares	**478,024,638**	254,244,454