RNS Number : 7770H
Wilmcote Holdings PLC
15 March 2018

Wilmcote Holdings plc

("Wilmcote" or the "Company")

Interim report for the seven months ended 31 December 2017

London, 15 March 2018 - Wilmcote Holdings plc announces its interim results for the seven months ended 31 December 2017

Over the period, Wilmcote generated a loss after taxation of £1.5 million, reflecting operating expenses and diligence costs incurred in the continued pursuit of its stated investment strategy. As at 31 December 2017, Wilmcote held over £22.5 million in cash.

Adrian Whitfield, Wilmcote's Chief Executive Officer commented: "We have made good progress in pursuing our investment strategy since our admission to AIM in August 2017. We have identified and continue to progress a number of attractive acquisition opportunities in the downstream and specialty chemicals sector, and look forward to updating shareholders further in due course".

The interim report is also available on the Company's website at www.wilmcoteplc.com

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

Adrian Whitfield is Chief Executive Officer of Wilmcote Holdings plc, which has offices at 11 Buckingham Street, London, WC2N 6DF.

WILMCOTE HOLDINGS PLC
Unaudited interim consolidated financial statements
for the seven months ended 31 December 2017

MANAGEMENT REPORT

I am pleased to present to shareholders the unaudited Consolidated Financial Statements of Wilmcote Holdings plc (the "**Company**" or "**Wilmcote**") for the seven months ended 31 December 2017, consolidating the results of Wilmcote Holdings Plc and WHJ Limited (together, the "**Group**").

Strategy

Wilmcote has been established with the objective of creating value for its investors through the acquisition and subsequent development of target businesses in the downstream and specialty chemicals sector. The Company intends to acquire a controlling stake in a company or group of companies, with an enterprise value in the region of £500 million to £2 billion (the "**Platform Acquisition**"). The Directors expect the acquired target to act as a platform for follow-on acquisitions that complement the initial business. The Company is expected to need to raise additional external funding for these purposes, and may use both equity and/or debt in this regard. It is the Directors' belief that the downstream and specialty chemicals sector offers opportunities for capitalising on attractive structural trends and consolidation in fragmented markets.

The Directors intend to use their multiple years of industrial and managerial experience to drive business transformation through the application of a buy-and-build strategy in the downstream and specialty chemicals sector in order to achieve attractive, compounding returns for shareholders. The Company is led by Adrian Whitfield in his role as Chief Executive Officer ("**CEO**").

Since listing in August 2017, the Company has pursued its stated strategy. The Directors are reviewing a number of potential acquisition opportunities, whilst controlling the Company's levels of expenditure during the pre-acquisition phase.

Results

The Group's loss after taxation for the seven months to 31 December 2017 was £1,545,131. In the same period, the Group incurred £1,570,717 of administrative expenses, received interest of £25,586 and at the period end held a cash balance of £22,574,016.

Dividend Policy

The Company has not yet acquired a trading operation and the Directors therefore consider it inappropriate to make a forecast of the likelihood of any future dividends. The Directors intend to determine the Company's dividend policy following completion of the Platform Acquisition and in any event, will only commence the payment of dividends when it becomes commercially prudent to do so.

Directors

Adrian Whitfield, Chief Executive Officer

Adrian has 35 years of industrial and international business experience. He recently spent eight years at Synthomer plc (previously called Yule Catto & Co plc), the FTSE 250 specialty polymer operator, where he successfully implemented a turnaround and growth strategy. Synthomer is a global manufacturer of specialty polymers for the coatings, construction, textiles, paper and healthcare industries.

Adrian was appointed chief executive officer of Synthomer in 2006 and led the transformation of a traditional chemical conglomerate into a segment-leading specialty polymer chemical business. In doing so, he grew revenue from £340 million to nearly £1 billion, while also improving profit before tax margins from 5.7 per cent. to 8.7 per cent. During Adrian's tenure, Synthomer's market capitalisation increased 13 times from turnaround lows.

As part of the transformation of Synthomer, Adrian led a number of successful non-core disposals and strategic acquisitions, including the acquisition and integration of PolymerLatex, a major competitor of Synthomer, in 2010 for £376 million, extracting annual cost synergies of over £20 million per year. In recognition of his efforts, he was awarded Turnaround of the Year at the 2011 UK PLC Awards.

Prior to his role at Synthomer, Adrian was a divisional chief executive at DS Smith, a manufacturer of paper and packaging products, for seven years. There he set up a new plastics division, growing its turnover to £200 million organically and through the acquisition of six international businesses.

Mark Brangstrup Watts, Executive Director

Mark Brangstrup Watts founded Marwyn, the asset management and corporate finance group, in 2002 with James Corsellis. Mark is joint Managing Partner of Marwyn Capital LLP and Marwyn Investment Management LLP both of which are FCA regulated providers of corporate finance advice, and director of Marwyn Asset Management Limited, a regulated Jersey-based provider of asset management services. Mark is also a trustee of the Marwyn Trust, a charity focused on initiatives supporting education and entrepreneurship for young people in disadvantaged communities.

Marwyn has launched 16 companies[1] across a variety of sectors with Mark providing support to these companies, using his experience of serving as a director on the boards of several Official List and AIM quoted companies, including Entertainment One Limited, BCA Marketplace plc, Advanced Computer Software plc, Inspicio plc and Talarius plc. Mark has also provided strategic consultancy services to some of the world's leading companies including Ford, Toyota, Shell and Barclays. Mark was educated at the London University and he serves on the Committee of the Royal Academy School.

It is currently intended that, following completion of the Platform Acquisition, Mark will adopt a non-executive role.

James Corsellis, Executive Director

James Corsellis founded Marwyn, the asset management and corporate finance group, in 2002 with Mark Brangstrup Watts. James is joint Managing Partner of Marwyn Capital LLP and Marwyn Investment Management LLP both of which are FCA regulated providers of corporate finance advice, and director of Marwyn Asset Management Limited, a regulated Jersey-based provider of asset management services. James is also a trustee of the Marwyn Trust, a charity focused on initiatives supporting education and entrepreneurship for young people in disadvantaged communities.

Marwyn has launched 16 companies[1] across a variety of sectors with James providing support to these companies, using his experience of serving as a director on the boards of several Official List and AIM quoted companies, including as Chairman of Entertainment One Limited and as a director of BCA Marketplace plc, Breedon Aggregates Limited, Concateno plc and Catalina Holdings Limited; as well as his operating experience as the chief executive officer and founder of technology business, iCollector plc and CM Interactive, James was educated at Oxford Brookes University, The Sorbonne and London University.

It is currently intended that, following completion of the Platform Acquisition, James will adopt a non-executive role.

[1]Excluding those launched through MVI LP Class B1 which was redeemed in November 2014.

Corporate Governance

The Directors recognise the importance of sound corporate governance commensurate with the size of the Company and the interests of the shareholders. So far as is practicable, upon completion of the Platform Acquisition by the Company, the Directors intend to comply with the Quoted Companies Alliance (QCA) guidelines for small and mid-sized quoted companies to the extent appropriate to the size and nature of the Company. At present, whilst the Company does not comply with the QCA guidelines, the Company's corporate governance procedures are considered by the Directors to be appropriate. The Company intends to appoint a Chairman and a senior independent director to the Board at or around the time of the Platform Acquisition.

Risks

The Directors have carried out a robust assessment of the principal risks facing the Group including those that would threaten its business model, future performance, solvency or liquidity. There have been no changes to the principal risks described in the Company's Admission Document published on 3 August 2017. The Directors are of the opinion that the risks are applicable to the seven month period ended 31 December 2017, as well as the remaining six months of the financial year. Further details in relation to the risks faced by the Group are on pages 33-44 of the Admission Document, which can be found on the Company's website www.wilmcoteplc.com.

Audit and Risk Committee

At present, the Company does not consider it necessary to establish an audit and risk committee given the nature of its board structure and operations. The Board will undertake all functions that would normally be delegated to the audit and risk committee, including reviewing annual results, receiving reports from its auditors, agreeing the auditors' remuneration and assessing the effectiveness of the audit and internal control environment. Where necessary the Board will obtain specialist external advice from either its auditors or other advisers. Upon completion of the Platform Acquisition by the Company, the Board will establish an audit and risk committee that will be chaired by an independent director.

Nomination and Remuneration Committee

The Company does not intend to establish a nomination and remuneration committee until the completion of the Platform Acquisition as this committee is not currently appropriate given the nature of the Company's board structure and operations. Accordingly, the Board will review the remuneration of the Directors annually and agree reasonable and market-standard fees, based upon market information sourced from appropriate external consultants. Consideration will be given by the Board to future succession plans for members of the Board, as well as consideration as to whether the Board has the skills required to manage the Company effectively. The Board intends to establish a nomination and remuneration committee upon completion of the Platform Acquisition.

Outlook

The Group continues to pursue its stated strategy. The Directors have been encouraged by their visibility of attractive prospects for value creation in potential acquisitions and believe that the Company is well placed to progress identified opportunities in the year ahead.

Adrian Whitfield
Chief Executive Officer
14 March 2018

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Seven months ended 31 December 2017 Unaudited £'000
Administrative expenses	7	(1,571)
Total operating expenses		**(1,571)**
Interest income	5	26
Income tax	8	-
Loss for the period		**(1,545)**
Total other comprehensive income		-
Total comprehensive loss for the period attributable to owners of the parent		**(1,545)**
Loss per ordinary share		
Basic (£)	9	(0.095)
Diluted (£)	9	(0.095)

The Group's activities derive from continuing operations.

The notes on pages 9 to 20 form an integral part of these Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at 31 December 2017 Unaudited £'000
Assets		
Non-current assets		
Property, plant & equipment	10	4
Total non-current assets		**4**
Current assets		
Cash and cash equivalents	13	22,574
Receivables	12	76
Total current assets		**22,650**
Total assets		**22,654**
Equity and liabilities		
Current liabilities		
Trade and other payables	14	621
Total liabilities		**621**
Capital and reserves attributable to equity holders of the parent		

Stated capital	15	24,370
Share-based payment reserve	16	250
Accumulated losses	16	(2,587)
Total equity		**22,033**
Total equity and liabilities		**22,654**

The notes on pages 9 to 20 form an integral part of these Consolidated Financial Statements.

The financial statements were approved by the Board of Directors on 14 March 2018 and were signed on its behalf by:

Adrian Whitfield — **Chief Executive Officer**

James Corsellis — **Executive Director**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Note	Stated capital	Share based payment reserve	Accumulated losses	Total equity
		£'000	£'000	£'000	£'000
Balance as at 1 June 2017		10,000	213	(1,042)	9,171
Issue of shares	15	15,000			15,000
Share issue costs	15	(630)			(630)
Loss for the period				(1,545)	(1,545)
Share-based payment expense	18		37		37
Balance as at 31 December 2017		**24,370**	**250**	**(2,587)**	**22,033**

The notes on pages 9 to 20 form an integral part of these Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF CASHFLOWS

	Note	For seven months ended 31 December 2017 Unaudited
		£'000
Operating activities		
Loss before income tax		(1,545)
Adjustments to reconcile loss before income tax to net cash flows:		
Decrease in receivables		18
Decrease in trade and other payables		(165)
Add back depreciation expense	10	1
Add back share based payment expense	18	37
Net cash flows used in operating activities		**(1,654)**
Investing activities		
Purchase of property, plant & equipment	10	(2)
Net cash flows used in investing activities		**(2)**
Financing activities		
Proceeds from issue of ordinary share capital	15	15,000
Proceeds from issue of A share capital		55
Costs directly attributable to equity raise	15	(630)
Net cash flows from financing activities		**14,425**
Net increase in cash and cash equivalents		12,769
Cash and cash equivalents at beginning of the period		9,805
Cash and cash equivalents at the end of the period	13	**22,574**

The notes on pages 9 to 20 form an integral part of these Consolidated Financial Statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Wilmcote Holdings plc, an "investing company" for the purposes of the AIM Rules for Companies ("**AIM Rules**"), is incorporated in Jersey (company number 123424) and domiciled in the United Kingdom. It is a public limited company with registered office at One Waverley Place, Union Street, St Helier, Jersey, JE1 1AX and a UK Establishment (BR019423) address of 11 Buckingham Street, London, WC2N 6DF. The Company is the holding company of WHJ Limited (company number 123215) ("**WHJL**") (collectively, the "**Group**").

2. ACCOUNTING POLICIES

(a) Basis of preparation

The Company was incorporated on 17 March 2017.

The Consolidated Financial Statements are prepared in accordance with IFRS as issued by the IASB under historical cost convention and are presented in British pounds sterling, which is the presentational and functional currency of the Group.

The principal accounting policies adopted in the preparation of the Consolidated Financial Statements are set out below. The policies have been consistently applied through the period presented.

(b) Going concern

The Consolidated Financial Statements have been prepared on a going concern basis, which assumes that the Group will continue to be able to meet its liabilities as they fall due for the foreseeable future. As the Group has significant cash reserves, the Directors have concluded it remains appropriate to use the going concern basis.

(c) New standards and amendments to International Financial Reporting Standards

Standards, amendments and interpretation effective and adopted by the Group:

The accounting policies adopted in the presentation of these Consolidated Financial Statements reflect the adoption of the standards effective for periods beginning on or after 1 June 2017.

Standards, amendments and interpretations issued but not yet effective:

The following standards are issued but not yet effective. The Group intends to adopt these standards, if applicable, when they become effective. It is not expected that these standards will have a material impact on the Group.

Standard	Effective date
IFRS 9 Financial Instruments	1 January 2018
IFRS 15 Revenue from Contracts with Customers	1 January 2018
IFRIC 22 - Foreign Currency Transactions and Advance Consideration	1 January 2018
Amendments to IFRS 2: Classification and Measurement of Share-based Payment Transactions	1 January 2018
Amendments to IFRS 4: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts	1 January 2018
Annual improvements to IFRS Standards 2014-2016 Cycle	1 January 2018
Amendments to IAS 40:	1 January 2018
IFRS 16 Leases	1 January 2019
IFRIC 23 - Uncertainty over Income Tax Treatments	1 January 2019
Amendments to IFRS 9: Prepayment Features with Negative Compensation	1 January 2019
Amendments to IAS 28: Long-term Interests in Associates and Joint Ventures	1 January 2019
Annual improvement to IFRS Standards 2015-2017 Cycle	1 January 2019
IFRS 17 Insurance Contracts	1 January 2021

(d) Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Company. Control exists when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial information of subsidiaries is fully consolidated from the date that control commences until the date that control ceases.

Intragroup balances, and any gains and losses or income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial information.

(e) Other receivables

Other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

(f) Cash and cash equivalents

Cash and cash equivalents comprise cash balances at banks.

(g) Stated capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are recognised in stated capital as a deduction from the proceeds.

(h) Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(i) Corporation tax

Corporation tax for the period presented comprises current and deferred tax.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or

substantially enacted at the balance sheet date, and any adjustment to taxes payable in respect of previous periods.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(j) Loss per ordinary share

The Group presents basic earnings per ordinary share ("**EPS**") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

(k) Share based payments

The A1 Shares and A2 Shares in WHJL (the "**Participation Shares**") represent equity-settled share-based payment arrangements under which the Company receives services as a consideration for the additional rights attached to these equity shares, over and above their nominal price.

Equity-settled share-based payments to certain of the Directors and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value is expensed, with a corresponding increase in equity, on a straight line basis from the grant date to the expected exercise date. Where the equity instruments granted are considered to vest immediately, the services are deemed to have been received in full, with a corresponding expense and increase in equity recognised at grant date.

3. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's Consolidated Financial Statements under IFRS requires the Directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities. 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. Actual results may differ from these estimates.

For the period and at the period end, the Directors do not consider that they have made any significant estimates, judgements or assumptions which would affect the balances and results reported in these financial statements.

4. SEGMENT INFORMATION

The Board of Directors is the Group's chief operating decision-maker. As the Group has not yet commenced trading, the Board of Directors considers the Group as a whole for the purposes of assessing performance and allocating resources, and therefore the Group has one reportable operating segment.

5. INTEREST INCOME

	For seven months ended 31 December 2017 £'000
Interest on bank deposits	25
	25

6. EMPLOYEES AND DIRECTORS

(a) Staff costs for the Group during the period:

	For seven months ended 31 December 2017 £'000
Wages and salaries	326
Social security costs	42
Total employment cost expense	**368**

(b) Directors' emoluments

The Board considers the Directors of the Company to be the key management personnel of the Group.

The highest paid Director, Adrian Whitfield, received emoluments of £206,865 during the period, excluding the guaranteed minimum bonus of which £50,000 has been accrued at the balance sheet date. Adrian Whitfield will receive a fixed annual salary of £300,000, payable monthly in arrears along with a guaranteed minimum bonus of £100,000. On the completion of a Platform Acquisition by the Group, Adrian Whitfield will be entitled to an additional cash bonus of an amount equal to 0.5 per cent. of the Total Enterprise Value, calculated as the total value of the consideration paid by the Company or any subsidiary for the acquired equity or assets plus the net debt of the acquired business or company, such net debt to be reduced pro-rata where less than 100 per cent. of the entire issued share capital of the target business or company is acquired. A minimum of 50 per cent. of the Platform Acquisition bonus, net of tax, shall be automatically reinvested in return for ordinary shares in the Company.

(c) Key management compensation

The following table details the aggregate compensation due in respect of the members of the Board of Directors which is comprised of the Executive Directors.

	For seven months ended 31 December 2017 £'000
Salaries and short term employee benefits	245

	245

(d) Employed persons

The average monthly number of persons employed by the Group (including Directors) during the period was as follows:

	For seven months ended 31 December 2017 £'000
Administrative	1
Directors	3
	4

7. EXPENSES BY NATURE

	For seven months ended 31 December 2017 £'000
Group expenses by nature	
Employment costs	368
Travel and entertaining	123
Office costs	56
Professional support	981
Share based payment expense	37
Other expenses	6
	1,571

8. INCOME TAX EXPENSE

	For seven months ended 31 December 2017 £'000
Analysis of tax in period	
Current tax on profits for the period	-
Total current tax	-

Reconciliation of effective rate and tax charge:

	For seven months ended 31 December 2017 £'000
Loss on ordinary activities before tax	(1,545)
Loss on ordinary activities multiplied by the rate of corporation tax in the UK of 20%	**(309)**
Effects of:	
Losses carried forward for which no deferred tax recognised	309
Total taxation charge	**-**

As at 31 December 2017, cumulative tax losses available to carry forward against future trading profits were £2,587,100 subject to agreement with HM Revenue & Customs. Prior to a Platform Acquisition, there is no certainty as to future profits and no deferred tax asset is recognised in relation to these carried forward losses.

LOSS PER ORDINARY SHARE

Basic EPS is calculated by dividing the profit attributable to equity holders of the company by the weighted average number of ordinary shares in issue during the year. Diluted EPS is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The weighted average number of shares has not been adjusted in calculating diluted EPS as there are no instruments which have a current dilutive effect.

Refer to Note 18 for instruments that could potentially dilute basic EPS in the future.

	For seven months ended 31 December 2017
Loss attributable to owners of the parent (£'000)	(1,545)
Weighted average number of ordinary shares in issue	16,225,670
Weighted average number of ordinary shares for diluted EPS	16,225,670

9. PROPERTY, PLANT & EQUIPMENT

	As at 31

	December 2017 £'000 Office equipment
Cost	
Opening balance as at 1 June 2017	3
Additions	2
Closing balance as at 31 December 2017	**5**
Accumulated depreciation	
Opening balance as at 1 June 2017	-
Charge for the period	1
Closing balance as at 31 December 2017	1
Net book value as at 31 December 2017	**4**

10. INVESTMENTS

Principal subsidiary undertakings of the Group

The Company substantially owns directly or indirectly the whole of the issued and fully paid ordinary share capital of its subsidiary undertakings.

Principal subsidiary undertakings of the Group as at 31 December 2017 are presented below:

Subsidiary	Nature of business	Country of incorporation	Proportion of ordinary shares held by parent	Proportion of ordinary shares held by the Group
WHJ Limited	Incentive vehicle	Jersey	100%	100%

There are no restrictions on the Company's ability to access or use the assets and settle the liabilities of the Company's subsidiaries.

The subsidiary's registered office is One Waverley Place, Union Street, St Helier, JE1 1AX, Jersey.

11. RECEIVABLES

	As at 31 December 2017 £'000
Amounts receivable within one year:	
Prepayments	38
Other receivables	38
	76

Other receivables are all current.

There is no material difference between the book value and the fair value of the receivables. Receivables are considered to be past due once they have passed their contracted due date.

12. CASH AND CASH EQUIVALENTS

	As at 31 December 2017 £'000
Cash and cash equivalents	
Cash at bank	22,574
	22,574

Credit risk is managed on a group basis. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions. For banks and financial institutions, only independently rated parties with a minimum short-term credit rating of P-1, as issued by Moody's, are accepted. The utilisation of credit limits is regularly monitored.

13. TRADE AND OTHER PAYABLES

	As at 31 December 2017 £'000
Amounts falling due within one year:	
Trade payables	133
Other tax and social security payable	7
Accruals and other payables	481
	621

There is no material difference between the book value and the fair value of the trade and other payables.

14. STATED CAPITAL

	As at 31 December 2017 £'000
Authorised	
Unlimited ordinary shares of no par value	
Issued	
20,833,336 ordinary shares of no par value	24,370
	24,370

On incorporation 2 ordinary shares of no par value were issued at £1.20 per share for aggregate consideration of £2.40. On 21 March 2017 a further 8,333,334 ordinary shares of no par value were issued at £1.20 for an aggregate consideration of £10,000,000.80. Following the Company's admission to AIM on 17 August 2017 a further 12,500,000 ordinary shares of no par value were issued at £1.20 for an aggregate consideration of £15,000,000. £630,427 of costs directly attributable to the August 2017 share issue have been taken against stated capital.

The holders of ordinary shares are entitled to receive dividends as declared and are entitled to one vote per share at meetings of the Company.

15. RESERVES

The following describes the nature and purpose of each reserve within shareholders' equity:

Accumulated losses
Cumulative losses recognised in the Group income statement.

Share based payment reserve
The share based payment reserve is the cumulative amount recognised in relation to the equity settled share based payment scheme as further described in Note 18.

16. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS

The Group has the following categories of financial instruments at the period end:

	As at 31 December 2017 £'000
Loans and receivables	
Cash and cash equivalents	22,574
Other receivables	76
	22,650
Financial liabilities at amortised costs	
Trade and other payables	621
	621

The fair value and book value of the financial assets and liabilities are equal.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

Treasury activities are managed on a Group basis under policies and procedures approved and monitored by the Board. These are designed to reduce the financial risks faced by the Group which primarily relate to movements in interest rates.

As the Group's assets are predominantly cash and cash equivalents, market risk and liquidity risk are not currently considered to be material risks to the Group.

17. SHARE-BASED PAYMENTS

Implementation of the Group share scheme - Participation Shares
Arrangements have been put in place to create incentives for those who are expected to make key contributions to the success of the Group. Success depends upon the sourcing of attractive investment opportunities, effective execution of transactions, and the subsequent integration and optimisation of target businesses. Accordingly, an incentive scheme has been created to reward the key contributors for the creation of value, once all investors have received a preferential level of return. In order to make these arrangements most efficient, they are based around a subscription for shares in WHJL by the Executive Founders and Key Management through the "Participation Shares". Adrian Whitfield and Marwyn Long Term Incentive LP ("**MLTI**"), in which James Corsellis and Mark Brangstrup Watts are beneficially interested partners, are defined as the Executive Founders along with Chris Carlisle, who is defined as 'Key Management'.

On being offered, the Company will purchase the Participation Shares either for cash or for the issue of new ordinary shares at its discretion. The valuation of the Participation Shares is discussed below. The Participation Shares may only be sold on this basis if both the growth and at least one of the vesting conditions have been satisfied. If the growth condition has not been satisfied on or before the fifth anniversary of a Platform Acquisition (or such later date as the holders of the 90 per cent. of the ordinary shares, A1 Shares and A2 Shares in WHJL agree) the Participation Shares must be sold to the Company or, at its election, redeemed by WHJL, in both cases at a price per Participation Share equal to its subscription price unless and to the extent that the remuneration committee (once established) determines otherwise.

Participation Shares
During the period the Company issued 100 A1 Shares to Chris Carlisle, which have been accounted for in

accordance with IFRS 2 "Share-based Payment" as equity-settled share-based payment awards.

Grant date
The date at which the entity and another party agree to a share-based payment arrangement, for accounting purposes, is the grant date. The grant date for the Participation Shares is 21 March 2017. This is in line with when the share-based payments were first awarded.

Growth Condition
The growth condition is that the compound annual growth of the Company's equity value must be at least 10 per cent. per annum. The growth condition takes into account new shares issued, dividends and capital returned to shareholders.

Service Conditions
Adrian Whitfield and Chris Carlisle have agreed that if they cease to be involved with the Company before it completes its Platform Acquisition or before the second anniversary of the Platform Acquisition then all of their A1 Shares will be forfeited.

Vesting Conditions and Vesting Period
The Participation Shares are subject to certain vesting conditions, at least one of which must be (and continue to be) satisfied in order for a holder of Participation Shares to exercise his, her or its redemption rights and which ends on the fifth anniversary of the date of the Platform Acquisition or such later date as is agreed between the Company and the holders of at least 90 per cent. of the ordinary shares in WHJL, A1 Shares and A2 Shares.

The vesting conditions are as follows:

(i) it is later than the third anniversary of the Platform Acquisition;
(ii) a sale of all or a material part of the business of WHJL;
(iii) a sale of all of the issued ordinary shares of WHJL or a merger of WHJL;
(iv) a winding up of WHJL; or
(v) a sale, merger or change of control of the Company.

The Participation Shares are subject to a three year vesting period and will lapse after five years. The vesting period commences from the date of the Platform Acquisition.

Value
Subject to the provisions detailed above, the Participation Shares can be sold to, or redeemed by, the Company for an aggregate value equivalent to 15 per cent. (of which A1 Shares as a class are entitled 10 per cent. and A2 Shares 5 per cent.) of the excess in the market value of the Company over and above its aggregate paid up share capital, allowing for any dividends and other capital movements.
Holding of Participation Shares
Participation Shares have been created and shares have been allocated and issued as shown in the table below.

	Nominal price	Issue Price	Number of Participation Shares	Fair value at grant date
Adrian Whitfield (A1)	£1	£72.32	500	£205,465
Chris Carlisle (A1)	£1	£185.97	100	£105,668
Marwyn Long Term Incentive LP (A2)	£1	£72.32	500	£205,465
			1,100	**£516,598**

Valuation of Participation Shares
The value of the Participation Shares granted under the scheme has been calculated using a Monte Carlo model. The fair value uses an ungeared volatility of 25 per cent. and is based on a weighted average share price over the vesting period. An expected term input of four years has been used, being the midpoint of the period of time between the date on which an acquisition is expected to take place and the start and end of the redemption period. The Participation Shares are subject to a growth condition, which is a market performance condition, and as such has been taken into consideration in determining their fair value. The risk free rate is taken from zero-coupon UK Government bonds with a redemption period in line with the expected term. The model incorporates a range of probabilities for the likelihood of an acquisition being made of a given size.

Expense related to Participation Shares
£36,713 has been recognised in the Consolidated Statement of Comprehensive Income in the period and in a share-based payment reserve within the Consolidated Balance Sheet as at the period end in relation to the A1 Participation Shares.

18. RELATED PARTY TRANSACTIONS

The AIM Rules define a related party as any (i) director of the Company or its subsidiary, (ii) a substantial shareholder, being any shareholders holding at least 10 per cent. of a share class or (iii) an associate of those parties identified in (i) or (ii).

James Corsellis and Mark Brangstrup Watts are the managing partners of the Marwyn Group. Funds managed by Marwyn Asset Management Limited of which James Corsellis and Mark Brangstrup Watts are both non-executive directors and which they are the ultimate beneficial owners, hold 60.4% of the Company's issued ordinary shares

James Corsellis and Mark Brangstrup Watts are the managing partners of Marwyn Capital LLP which provides corporate finance advice and various office and finance support services to the Company. During the period Marwyn Capital LLP charged £378,899 (excluding VAT) in respect of services supplied and was owed an amount of £69,323 at the balance sheet date.

James Corsellis and Mark Brangstrup Watts are the ultimate beneficial owners of Axio Capital Solutions Limited which provides financial and accounting services, transactional support, company secretarial and administrative services to the Company. During the period Axio Capital Solutions Limited charged £111,328 in respect of services supplied of which £20,116 was unpaid at the balance sheet date.

19. COMMITMENTS AND CONTINGENT LIABILITIES

There were no commitments or contingent liabilities outstanding at 31 December 2017 that require

disclosure or adjustment in these financial statements.

20. POST BALANCE SHEET EVENTS
There have been no material post balance sheet events that would require disclosure or adjustment to these financial statements.

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Joint Broker
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Registrar
Link Registrars (Jersey) Limited
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Company Secretary and Administrator
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Principal Bankers
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265 Strand
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