

Regulatory Story

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Derriston Capital PLC - DERR Final Results
Released 09:27 26-Jan-2018

RNS Number : 0383D
Derriston Capital PLC
26 January 2018

DERRISTON CAPITAL PLC ("Derriston" or the "Company")

Final results for the period ended 31 December 2017 Notice of Annual General Meeting

Derriston Capital plc (LSE: DERR) announces its audited financial results for the period ended 31 December 2017 and its Annual General Meeting ("**AGM**") to be held on 20 February 2018.

Copies of the 2017 Financial Statements and notice of the AGM ("**AGM Notice**") are today being posted to shareholders. The AGM will be held on 10.30am on 20 February 2018 at the offices of Locke Lord (UK) LLP at 201 Bishopsgate, London EC2M 3AB.

Period highlights

- On 29 December 2016, the Company was admitted to the standard segment of the Official List and to trading on the London Stock Exchange's Main Market
- Raised £2.33 million cash (gross) through the listing of 25,000,000 new ordinary shares
- Change in strategy from investing in medtech to seeking acquisitions within all technology and other high growth sectors.

Post period highlight

- Directors are seeking shareholder approval at the AGM to continue the Company's acquisition strategy for a further 12 months

Copies of the 2017 Financial Statements and the AGM Notice are available on the Company's website: www.derristoncapital.co.uk

Harry Hyman, Chairman of Derriston said: *"Derriston considered a large number of deals during 2017 but none of them reached the standards we require. As a result of this, we changed and extended the mandate to consider investments across all technology and high growth sectors."*

"We have made good progress over recent months with a shortlist of acquisition opportunities and we look forward to discussing with shareholders at the appropriate time. The board is therefore seeking approval to allow Derriston another year to acquire a suitable opportunity that will deliver significant shareholder value. I am very hopeful we will finalise a deal in the next twelve months and look forward to keeping shareholders informed of the exciting deals we are considering."

"The board continues to be diligent with costs, preserving shareholder funds. We have successfully managed to both source deals and conduct our due diligence at minimal expense. During the year administrative cost totalled £168,185, over £132,000 of which were costs of the flotation, and majority of the balance of costs through the year being stock exchange listing fees. Having raised £2.33m (gross) in December 2016, the Company has net cash of £2.16m as at 31 December 2017."

For information please contact:

Walbrook PR Ltd
Paul McManus

Tel: 020 7933 8780

DERRISTON CAPITAL PLC
Final results for the period ended 31 December 2017

Chairman's Statement

INTRODUCTION

I am pleased to present the financial results for the period ended 31 December 2017. Derriston floated on the London Stock Exchange on 29 December 2016. The Company was created to undertake an acquisition within the medical technology industry.

BUSINESS REVIEW

During this period, Derriston recorded a loss of £156,009 and the loss per share was 0.7p. This reflects the costs of the formation of the Company and its admission to the London Stock Exchange. The Company held cash reserves at the period end of £2.17m with no debt financing.

FUTURE DEVELOPMENTS

Given the large number of exciting opportunities we are analysing, the board announced in the interim report that Derriston's investment scope has been widened to consider acquisitions within all technology and other high growth sectors.

Since then we have looked at a number of these opportunities and significant progress has been made. I hope to be able to announce Derriston's first investment in the next twelve months.

Harry Hyman
Chairman

26 January 2018

DERRISTON CAPITAL PLC
STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2017

	Note	2017 £
CONTINUING OPERATIONS		
Turnover		-
Administrative expenses		(168,185)
Finance costs		(460)
		<hr/>
OPERATING LOSS	4	(168,645)
Interest income		12,636
		<hr/>
LOSS FOR THE PERIOD BEFORE TAXATION		(156,009)
Taxation	6	-
		<hr/>
TOTAL COMPREHENSIVE INCOME		(156,009)
		<hr/> <hr/>
BASIC AND DILUTED LOSS PER SHARE (PENCE)		(0.7)
		<hr/> <hr/>

There was no other comprehensive income in 2017.

DERRISTON CAPITAL PLC
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

	Note	2017 £
CURRENT ASSETS		
Trade and other receivables	7	4,852
Cash and cash equivalents	8	2,172,042
		<hr/>
TOTAL ASSETS		2,176,894
		<hr/> <hr/>
CURRENT LIABILITIES		

Trade and other payables	9	(18,653)
NET ASSETS		2,158,241
EQUITY		
Share capital	10	625,000
Share premium account	10	1,689,250
Retained losses		(156,009)
TOTAL EQUITY		2,158,241

These financial statements were approved by the Board of Directors on 26 January 2018 and were signed on its behalf by **Harry Hyman (Director)**

DERRISTON CAPITAL PLC
STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2017

2017

	Share Capital £	Share Premium £	Retained Losses £	Total Equity £
On incorporation	-	-	-	-
Loss for the period and total comprehensive loss	-	-	(156,009)	(156,009)
Shares issues	625,000			625,000
Share premium (net of expenses)	-	1,689,250	-	1,689,250
Balance at 31 December 2017	625,000	1,689,250	(156,009)	2,158,241

DERRISTON CAPITAL PLC
STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2017

	Note	2017 £
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss after taxation		(156,009)
<i>Adjustments for:</i>		

Increase in trade and other payables	18,653
Increase in trade and other receivables	(4,852)
	<hr/>
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	(142,208)
	<hr/>
CASH FLOWS FROM FINANCING ACTIVITIES	
Issue of shares (net of costs)	2,314,250
	<hr/>
NET CASH INFLOW FROM FINANCING ACTIVITIES	2,314,250
	<hr/>
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,172,042
Cash and cash equivalents brought forward	-
	<hr/>
CASH AND CASH EQUIVALENTS CARRIED FORWARD	8 2,172,042
	<hr/>

DERRISTON PLC**NOTES TO THE FINANCIAL STATEMENTS****FOR THE PERIOD ENDED 31 DECEMBER 2017****1. GENERAL INFORMATION**

Derriston Capital plc is a public limited company registered and incorporated in the England and Wales. The Company's principal activities are described in the Directors' Report. The Company's registered office and principal place of business is c/o Locke Lord, 2nd floor, 201 Bishopsgate, London EC2M 3AB.

2. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. The financial statements have been prepared using the measurement bases specified by IFRS for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies below.

The financial statements are presented in pounds sterling (£) which is the functional currency of the company.

An overview of standards, amendments and interpretations to IFRSs issued but not yet effective, and which have not been adopted early by the Company are presented below under 'Statement of Compliance'.

Statement of compliance

The financial statements comply with IFRS as adopted by the European Union. At the date of authorisation of these financial statements the following Standards and Interpretations affecting

the Company, which have not been applied in these financial statements, were in issue, but not yet effective. The company does not plan to adopt these standards early.

- Amendments to IFRS 2 Share Based Payment (effective for accounting periods beginning on or after 1 January 2018)
- Amendments to IFRS 12 Disclosure of Interests in Other Entities (effective for accounting periods beginning on or after 1 January 2017)
- IFRS 15 Clarification of Revenue from Contracts with Customers (effective for accounting periods beginning on or after 1 January 2018)
- IFRS 16 Leases (effective for accounting periods beginning on or after 1 January 2019)
- Amendments to IAS 7 Statement of Cash Flows (effective for accounting periods beginning on or after 1 January 2017)
- Amendments to IAS 12 Income Taxes (effective for accounting periods beginning on or after 1 January 2017)

Going Concern

The directors have assessed the Company's position as at 31 December 2017 and consider it appropriate to prepare the financial statements on a going concern basis. There are cash reserves of £2.17m which the directors consider sufficient to ensure that the Company will be able to continue to meet its commitments as they fall due for at least twelve months from the date of approval of the financial statements.

Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments.

The directors are of the opinion that the Company is not currently engaged in any more than a single sector as it has not yet traded and has incurred only set up fees and the costs of running a business for the period. The Company is based in the United Kingdom and accordingly, no segmental analysis is considered necessary.

Expenses

All expenses are accounted for on an accruals basis and are presented through the Statement of Comprehensive Income.

Taxation

Current taxation is the taxation currently payable on taxable profit for the year.

Trade and other receivables

Trade and other receivables are recognised and carried at original invoice value less an allowance for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

Cash and Cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade payables

Trade payables are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest rate method.

Financial instruments

The Company's financial assets comprise cash and cash equivalents.

The Company's financial liabilities comprise trade payables. Financial liabilities are obligations to pay cash or other financial assets and are recognised when the Company becomes a party to the contractual provisions of the instruments.

Equity

Equity comprises the following:

- "Share capital" represents the nominal value of equity shares.
- "Share premium" represents the excess over nominal value of the fair value of consideration received for equity shares, net of expenses of the share issue.
- "Retained losses" represents cumulative net gains and losses recognised in the Statement of Comprehensive Income

Critical Accounting Estimates and Judgements

The preparation of financial statement in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. These estimates and assumptions are based upon management's knowledge and experience of the amounts, events or actions. Actual results may differ from such estimates.

The Directors' consider the only area subject to estimation and judgement to be transaction costs. The Directors have apportioned certain costs in accordance with IAS 32 to the share premium account as relating to the issue of shares. This area is reviewed on an annual basis by the Directors to ensure that to the best of their knowledge the appropriate costs have been apportioned between share premium and the income statement.

3. SEGMENTAL INFORMATION

The Company is organised around one business class and the results are reported to the Chief Operating Decision Maker according to this class. There is one continuing class of business, being the investment in the medical technology industry.

Given that there is only one continuing class of business, operating within the UK no further segmental information has been provided.

4. EXPENSES BY NATURE	2017 £
Legal and professional	81,285
Bank charges	460
Administrative expenses	80,900
	<hr/>
	168,645
	<hr/>

5. AUDITOR'S REMUNERATION	2017 £
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During the year the Company obtained the following services from the Company's auditor:

Fees payable to the Company's auditors for the audit of the Company's annual accounts	13,200
Fees payable to the Company's auditors for other services:	
Other services pursuant to legislation	10,500
	<hr/>
	23,700
	<hr/>

6. TAXATION

Due to tax losses sustained there was no corporation tax payable by the company in the period. The tax charge for the year is different from the standard rate of corporation tax in the United Kingdom. The difference is reconciled as follows:-

	2017
	£
Loss on ordinary activities before tax	(156,009)
Loss on ordinary activities at the effective rate of corporation tax applicable to the Company of 19%	(29,642)
Expenses not deductible	-
Losses not utilized	29,642
	<hr/>
	-
Total tax charge	-
	<hr/>

No deferred tax asset has been recognised as the Directors cannot be certain that future profits will be sufficient for this asset to be realised.

Factors affecting future tax charges

There are no factors affecting the tax charge.

7. TRADE AND OTHER RECEIVABLES	2017
	£
Prepayments	4,852
	<hr/>
8. CASH AND CASH EQUIVALENTS	2017
	£
Cash at bank	2,172,042
	<hr/>

The Directors consider that the carrying amount of cash and cash equivalent represents their fair value.

9. TRADE AND OTHER PAYABLES	2017 £
Trade payables	5,052
Accruals	13,601
	<hr/> 18,653 <hr/>

The fair value of trade and other payables is considered by the Directors not to be materially different to carrying amounts.

10. ISSUED SHARE CAPITAL	Number of Shares No.	Nominal Value £	Share premium £
Issued and fully paid			
At 31 December 2017:			
Ordinary shares of 2.5p each			
Issued on incorporation	1	-	-
Issued on 14 November 2016	2,249,999	56,250	-
Issued on 29 December 2016	22,750,000	568,750	1,706,250
	<hr/> 25,000,000 <hr/>	<hr/> 625,000 <hr/>	<hr/> 1,706,250 <hr/>

Fully paid ordinary shares, which have a par value of 2.5p, carry one vote per share and rank equally in respect of dividends.

Reserve	Description and Purpose
Share premium	Amount subscribed for share capital in excess of nominal value.
Retained Losses	Cumulative net gains and losses recognised in the income statement.

Capital management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising returns to shareholders. It is the current strategy of the Company to finance its activities from existing equity and reserves and by the issue of new equity as required.

The Board's policy is to maintain a strong capital base so as to maintain investors, creditors and market confidence and to sustain future development of the business. The Board manages the Company's affairs to achieve shareholders returns through capital growth and income.

The Company is not subject to externally imposed capital requirements.

11. LOSS PER SHARE

The calculation of loss per ordinary share is based on the loss attributable to ordinary shareholders divided by the weighted average number of shares in issue during the year.

	Loss £	Weighted Average number of shares	Per shares amount pence
Basic and diluted earnings per share 2017	156,009	22,515,170	(0.7)

There is no difference between the basic and diluted loss per share.

12. NET ASSET VALUATION

The net asset valuation per share is calculated by dividing the net assets attributable to the equity holders of the Company at the end of the reporting period by the number of shares in issue.

	2017 £
Net assets	2,158,241
Number of ordinary shares in issue	25,000,000
Net asset valuation per share	8.63 pence

13. DIRECTORS' REMUNERATION

The directors were not remunerated during the year. This will be revisited when the Company commences trading.

14. FINANCIAL INSTRUMENTS

The Company's activities expose it to a variety of financial risks: market risk, credit risk, liquidity risk, cash flow interest rate risk and equity price risk.

Risk management is carried out by the Board of Directors.

(a) Capital management

The Company's objectives when managing capital are:

- to safeguard the Company's ability to continue as a going concern, so that it continues to provide returns and benefits for shareholders;
- to support the Company's growth; and
- to provide capital for the purpose of strengthening the Company's risk management capability.

The Company actively and regularly reviews and manages its capital structure to ensure an optimal capital structure and equity holder returns, taking into consideration the future capital requirements of the Company and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic

investment opportunities. Management regards total equity as capital and reserves, for capital management purposes.

(b) Credit risk

The main credit risk relates to liquid funds held at banks. The credit risk in respect of these bank balances is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

(c) Liquidity risk

The Company seeks to manage financial risk, to ensure sufficient liquidity is available to meet foreseeable needs.

An analysis of trade and other payables is given in note 10. These payables are payable within a year.

CATEGORIES OF FINANCIAL INSTRUMENTS

The IAS 39 categories of financial asset included in the statement of financial position and the headings in which they are included are as follows:

	2017
	£
Financial assets:	
Cash and bank balances	2,172,042
	<u> </u>
Financial liabilities at amortised cost:	
Trade and other payables	18,653
	<u> </u>

15. ULTIMATE CONTROLLING PARTY

The directors do not consider there to be one ultimate controlling party.

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