

5 October 2018

BASKERVILLE CAPITAL PLC
("Baskerville" or "the Company")

Financial results for the period ended 30 June 2018

Baskerville (ticker: BASK) announces its audited financial results for the period ended 30 June 2018.

Period highlights

- On 22 September 2017, the Company was admitted to the standard segment of the Official List and to trading on the London Stock Exchange's Main Market
- The Company was formed to undertake an acquisition in the technology sector
- Raised £1.8 million cash (gross) through the listing of 36,000,000 new ordinary shares
- Loss for the period of £168,934 with over £1.6m cash at period end and no debt financing

Rodger Sargent, Chairman of Baskerville said: *"A number of technology companies, within different sectors and at different stages of their corporate development, have been considered since Baskerville floated last year. We have reached various stages of negotiation, but none have yet met the standards we have set to generate significant shareholder value. We continue to put all our efforts into identifying and acquiring such a company and will update further as soon as we are able."*

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**CHAIRMAN'S STATEMENT
FOR THE PERIOD ENDED 30 JUNE 2018**

INTRODUCTION

I am pleased to present the financial results for the period ended 30 June 2018. Baskerville Capital plc incorporated on the 6 April 2017 and floated on the London Stock Exchange on 22 September 2017. The Company was created to acquire businesses with a technology focus.

BUSINESS REVIEW

During this period, Baskerville Capital Plc recorded a loss of £168,934 and the loss per share was 0.50p. This reflects the costs of the formation of the Company and its admission to the London Stock Exchange. £53,252 of these expenses are a non-cash accounting charge relating to issued options. The Company held cash reserves at the period end of over £1.6m with no debt financing.

FUTURE DEVELOPMENTS

We continue to consider various technology based companies. Nothing has yet met our strict criteria to generate significant shareholder value but our analysis and research into opportunities continues. We are currently looking at a number of deals and will update the market accordingly.

**Rodger Sargent
Chairman
4 October 2018**

**STRATEGIC REPORT
FOR THE PERIOD ENDED 30 JUNE 2018**

The Directors present the Strategic Report for the period ended 30 June 2018.

The Company incorporated on 6 April 2017 as Baskerville Capital plc.

RESULTS

The Company made a loss for the year of £168,934.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

Information on the Company's activities is contained in the Chairman's Statement on page 2.

KEY PERFORMANCE INDICATORS

The Board seeks to maximise share value by investing in businesses with high growth potential. When an investment has been identified, the Board will assess it against a number of KPI's to assess its suitability.

PRINCIPAL RISKS AND UNCERTAINTIES AND RISK MANAGEMENT

Capital risk management

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

Financial risk management

The directors consider the Company to be exposed to the following financial risks:

- a. Price risk: the price paid for securities is subject to market movement that will have an impact on the operations of the Company.

Given the relatively small sized and operation of the Company in the period, the directors have not delegated the responsibility of risk monitoring to a sub-committee of the board, but will closely monitor the risks on a regular basis. The directors consider their exposure in the financial period to have been low.

**Rodger Sargent
CEO
4 October 2018**

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2018**

	Note	2018 £
CONTINUING OPERATIONS		
Turnover		-
Administrative expenses		(171,582)
Finance costs		-
		<u> </u>
OPERATING LOSS	4	(171,582)
Interest income		2,648
		<u> </u>
LOSS FOR THE PERIOD BEFORE TAXATION		(168,934)
Taxation	7	-
		<u> </u>
TOTAL COMPREHENSIVE INCOME		(168,934)
		<u> </u>
BASIC AND DILUTED LOSS PER SHARE (PENCE)	14	(0.50)p
		<u> </u>

There was no other comprehensive income in 2018.

The notes below form part of these financial statements.

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018**

	Note	2018 £
CURRENT ASSETS		
Trade and other receivables	8	14,618
Cash and cash equivalents	9	1,616,216
		<u> </u>
TOTAL ASSETS		1,630,834
		<u> </u>
CURRENT LIABILITIES		
Trade and other payables	10	(39,622)
		<u> </u>
NET ASSETS		1,591,212
		<u> </u>
EQUITY		
Share capital	11	239,000
Share premium account	11	1,467,894
Share option reserve		53,252
Retained losses		(168,934)
		<u> </u>
TOTAL EQUITY		1,591,212
		<u> </u>

These financial statements were approved by the Board of Directors on 4 October 2018 and were signed on its behalf by:

Rodger Sargent (CEO)

The notes below form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2018**

	Share Capital £	Share Premium £	Share option reserve £	Retained Losses £	Total Equity £
On incorporation	-	-	-	-	-
Loss for the period and total comprehensive loss	-	-	-	(168,934)	(168,934)
Shares issue	239,000	-	-	-	239,000
Share premium (net of expenses)	-	1,467,894	-	-	1,467,894
Grant of share warrants	-	-	53,252	-	53,252
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 30 June 2018	239,000	1,467,894	53,252	(168,934)	1,591,212
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Share premium is stated net of issue costs of £233,506.

The notes below form part of these financial statements.

**STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2018**

	Note	2018 £
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss after taxation		(168,934)
<i>Adjustments for:</i>		
Share option charge		53,252
Increase in trade and other payables		(14,618)
Increase in trade and other receivables		39,622
Interest payable		2,648
		<hr/>
NET CASH OUTFLOW FROM OPERATING ACTIVITIES		(88,030)
		<hr/>
CASH FLOWS FROM FINANCING ACTIVITIES		
Issue of shares (net of costs)		1,706,894
Interest payable		(2,648)
		<hr/>
NET CASH INFLOW FROM FINANCING ACTIVITIES		1,704,246
		<hr/> <hr/>
NET INCREASE IN CASH AND CASH EQUIVALENTS		1,616,216
Cash and cash equivalents brought forward		-
		<hr/>
CASH AND CASH EQUIVALENTS CARRIED FORWARD	8	1,616,216
		<hr/> <hr/>

The notes below form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2018

1. GENERAL INFORMATION

Baskerville 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)
- 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)

Going Concern

The directors have assessed the Company's position as at 30 June 2018 and consider it appropriate to prepare the financial statements on a going concern basis. There are cash reserves of £1.6m 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.

Share based payments

All share based payments are accounted for in accordance with IFRS 2 – Share-based payments. The Company issues equity-settled share based payments in the form of options and warrants to certain directors and employees. Equity settled share based payments are measured at fair value at the date of grant. The fair value determined at the grant date of equity-settled share based payments is expensed on a straight line basis over the vesting period, based on the Company’s estimate of shares that will eventually vest.

Share based payments (continued)

Fair value is estimated using the Black-Scholes valuation model. The expected life used in the model has been adjusted, on the basis of management’s best estimate for the effects of non-transferability, exercise restrictions and behavioural considerations. At each balance sheet date, the Company revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to retained earnings.

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.
- “Share option reserve” represents the value of warrants and options issued.
- “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.

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. LOSS FROM OPERATIONS

The loss from operations has been arrived after charging:	2018
	£
Legal and professional fees	104,934
	<u> </u>

5. AUDITOR'S REMUNERATION

	2018
	£
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	12,600
	<u> </u>
	<u>25,800</u>

6. DIRECTOR'S REMUNERATION

	2018
	£
Fees	44,306
	<u> </u>

7. 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:-

	2018
	£
Loss on ordinary activities before tax	(168,934)
Loss on ordinary activities at the effective rate of corporation tax applicable to the Company of 19%	(32,097)
Expenses not deductible	10,118
Losses not utilized	21,979
	<hr/>
Total tax charge	-
	<hr/> <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.

8. TRADE AND OTHER RECEIVABLES

	2018
	£
Prepayments	14,618
	<hr/> <hr/>

9. CASH AND CASH EQUIVALENTS

	2018
	£
Cash at bank	1,616,216
	<hr/> <hr/>

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

10. TRADE AND OTHER PAYABLES

	2018
	£
Trade payables	26,422
Accruals	13,200
	<hr/>
	39,622
	<hr/> <hr/>

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

11. ISSUED SHARE CAPITAL	Number of Shares No.	Nominal Value £	Share premium £
Issued and fully paid			
At 30 June 2018:			
Ordinary shares of 0.5p each			
Issued on incorporation			
Issued on 6 April 2017	10,000,000	50,000	-
Issued on 22 September 2017	37,800,000	189,000	1,467,894
	<u>47,800,000</u>	<u>239,000</u>	<u>1,467,894</u>

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.
Share option reserve	Value of warrants and options issued
Retained losses	Cumulative net gains and losses recognised in the income statement.

12. SHARE OPTIONS AND DIRECTOR WARRANTS

EQUITY SETTLED SHARE OPTION SCHEME

The Company operates share-based payment arrangements to remunerate directors and key employees in the form of options and warrants. The Company also issued warrants to shareholders during the period. Equity-settled share-based payments are measured at fair value (excluding the effect of non-market based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions.

The following table sets out the details of these options granted:

Option holder	Warrants issued in the year	Warrants at 30 June 18	Exercise price	Issue date	Expiry date
Derek Kehoe	1,000,000	1,000,000	2.5p	12 07 2017	22 09 2019
Rodger Sargent	1,000,000	1,000,000	2.5p	12 07 2017	22 09 2019
Shareholders	11,500,000	11,500,000	7.5p	11 09 2017	22 09 2019
	<hr/>	<hr/>			
	13,500,000	13,500,000			
	<hr/>	<hr/>			
		0			

The fair value of the warrants issued to directors was determined using the Black-Scholes option pricing model and the inputs to the model were as follows

	12 July 2017
Grant date share price	5p
Exercise share price	2.5p
No. of share options	2,000,000
Risk free rate	1%
Expected volatility	40%
Expected option life	2.5 years
Calculated fair value per share	2.7p

Warrants issued to shareholders were issued as one warrant for every four ordinary shares purchased. As they were part of the fundraise they have not been valued under IFRS 2.

The total share-based payment expense recognised in the statement of comprehensive income for the period ended 30 June 2018 in respect of these options granted was £53,252.

13. 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.

14. 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 2018	(168,934)	34,085,714	(0.50)p

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

15. 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.

	2018
	£
Net assets	1,591,212
Number of ordinary shares in issue	47,800,000
Net asset valuation per share	<u>3.3p</u>

16. 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:

	2018
	£
Financial assets:	
Trade and other receivables	14,618
Cash and bank balances	1,616,216
	<u> </u>
Financial liabilities at amortised cost:	
Trade and other payables	39,622
	<u> </u>

17. RELATED PARTY TRANSACTIONS

There were no related party transactions with the directors during the year other than those disclosed in note 12. The directors consider themselves to be the key management personnel.

18. ULTIMATE CONTROLLING PARTY

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