RNS Number : 4428C
Silver Falcon PLC
13 April 2017

13 April 2017

Silver Falcon Plc
("Silver Falcon" or the "Company")

Final Results for the year ended 31 December 2016

Silver Falcon plc (LSE: SILF), a business formed for the purpose of acquiring another business or asset, reports its Final Results for the year ended 31 December 2016.

All financial amounts are stated in GBP British pounds unless otherwise indicated.

Chairman's Statement

I hereby present the annual accounts for the year ended 31st December 2016. During the year the Company reported a loss of £519,898 (31 December 2015 - loss of £80,367) which arose predominantly from professional fees in connection with the due diligence and legal documentation relating to potential transactions, in particular with the current transaction under review. As at the date of this report the Company has approximately £1m of cash balances.

Following its listing on the London Stock Exchange on 9th November 2015, the Company has focused on the evaluation of various acquisition opportunities. To that end, it announced on 30th December 2015 that it had entered into a non-binding Memorandum of Understanding with the board and principal shareholder in Lime Holdings Limited ("Lime") regarding a possible acquisition of 100% of the share capital of Lime by way of a share for share exchange. On 30th September 2016 the Company announced that it was no longer proceeding with that transaction following detailed due diligence.

As at the year ended 31 December 2016, the Company was in talks with another potential business with an eventual acquisition expected to finalise before the end of the second quarter 2017. As at the date of this report, this is still the case and the transaction is at an advanced stage and, whilst no binding agreement has yet been entered into the directors are optimistic of a successful outcome.

I would like to thank all those who have assisted in relation to the possible acquisitions reviewed and remain hopeful of a successful future.

Geoffrey Dart

Executive Chairman

For further information please contact:

Timothy Le Druillenec Tel: 07874 762 821

STATEMENT OF COMPREHENSIVE INCOME

	Note	Year ended 31 December 2016 £	Period ended 31 December 2015 £
Continuing operations			
Revenue		-	-
Administrative expenses	3	(519,898)	(46,027)
listing costs		-	(34,340)
Operating loss		**(519,898)**	**(80,367)**
Loss before taxation		**(519,898)**	**(80,367)**
Taxation	4	-	-
Loss for the year attributable to equity owners		**(519,898)**	**(80,367)**
Other comprehensive income for the year		-	-
Total comprehensive income for the year attributable to the equity owners		**(519,898)**	**(80,367)**
Earnings/(loss) per share attributable to equity owners			
Basic and diluted (£ per share)	5	**(0.008)**	**(0.005)**

The notes to the financial statements form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

	Note	As at 31 December 2016 £	As at 31 December 2015 £
Assets			
Current assets			
Trade and other receivables	6	1,680	31,167
Cash and cash equivalents	7	1,045,723	1,323,869
Total current assets		**1,047,403**	**1,355,036**
Total assets		**1,047,403**	**1,355,036**
Equity and liabilities			
Equity attributable to shareholders			
Called up share capital	8	669,000	649,000
Share Premium	9	841,243	781,243
Retained earnings		(606,535)	(86,637)
Total equity		**903,708**	**1,343,606**
Liabilities			
Current liabilities			
Trade and other payables	10	143,695	11,430
Total liabilities		**143,695**	**11,430**
Total equity and liabilities		**1,047,403**	**1,355,036**

The notes to the financial statements form an integral part of these financial statements.

Company Registration Number: 08401609

STATEMENT OF CHANGES IN EQUITY

CURRENT YEAR	Called up share capital £	Share Premium £	Retained earnings £	Total £
Brought forward at 1 January 2016	649,000	781,243	(86,637)	1,343,606
Loss in year	-	-	(519,898)	(519,898)
Other Comprehensive Income	-	-	-	-
Total comprehensive income for the year	-	-	(519,898)	(519,898)
Issue of share capital net of share issue costs	20,000	60,000	-	80,000
As at 31 December 2016	669,000	841,243	(606,535)	903,708

	Called up share capital £	Share Premium £	Retained earnings £	Total £
As at 1 March 2015	50,000	-	(6,270)	43,730
Loss in period	-	-	(80,367)	(80,367)
Other Comprehensive Income	-	-	-	-
Total comprehensive income for the period	-	-	(80,367)	(80,367)
Issue of share capital net of share issue costs	599,000	781,243	-	1,380,243
As at 31 December 2015	649,000	781,243	(86,637)	1,343,606

Share capital comprises the ordinary issued share capital of the Company.

Share Premium represents consideration less nominal value of issued shares and costs directly attributable to the issue of new shares.

Retained earnings represent the cumulative retained losses of the Company at the reporting date.

The notes to the financial statements form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

	Note	Year ended 31 December 2016 £	Period ended 31 December 2015 £
Cash flow from operating activities			
Loss before taxation		(519,898)	(80,367)
Adjustments for:			
Share-based payment		80,000	-
Changes in working capital			
(Increase)/decrease in trade and other receivables		29,487	6,333
Increase in trade and other payables		132,265	11,430
Net cash used in operating activities		**(278,146)**	**(62,604)**
Cash flows from financing activities			
Proceeds from issuance of shares net of issue costs		-	1,380,243
Net cash generated from financing activities		**-**	**1,380,243**
Cash flows from investing activities		-	-
Net cash used in investing activities		**-**	**-**
Increase/(decrease) in cash and cash equivalents		**(278,146)**	**1,317,639**
Cash and cash equivalents at beginning of period		**1,323,869**	**6,230**
Cash and cash equivalents at end of period	**7**	**1,045,723**	**1,323,869**

Major non-cash transactions

On the 11 November 2016 2,000,000 new Ordinary Shares of £0.01 nominal value were issued at a premium of £0.03 per share to M6 Limited as settlement for a fee of £80,000 for online marketing services.

The notes to the financial statements form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. General Information

The Company's principal activity is currently that of a 'cash shell' actively seeking an investment. The Company was incorporated in England and Wales on 13 February 2013 as a private limited Company. The Company did not trade during the financial period ended 31 December 2016, the majority of expenses related to legal and professional fees in connection with the aborted acquisition and a new potential acquisition, along with consultancy and legal fees as well as general administration expenses.

The Company's registered office is located at 5 Fleet Place, London EC4M 7RD, and is listed on the London Stock Exchange.

2. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Basis of Preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and IFRS Interpretations Committee (IFRS IC) interpretations as adopted for use by the European Union, and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

i) *New and amended standards mandatory for the first time for the period beginning 1 January 2016*

No new standards, amendments or interpretations, effective for the first time for the financial year beginning on or after 1 January 2016 have had a material impact on the Company.

ii) *New standards, amendments and Interpretations in issue but not yet effective or not yet endorsed and not early adopted*

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the financial statements are listed below. The Company intend to adopt these standards, if applicable, when they become effective.

Standard	**Impact on initial application**	**Effective date**
IAS 7 (Amendments)	Disclosure Initiative	*1 January 2017
IAS 12 (Amendments)	Recognition of Deferred Tax	*1 January 2017
IFRS 9 (Amendments)	Financial Instruments	1 January 2018
IFRS 15	Revenue from contracts with customers	*1 January 2018
IFRS 16	Leases	*1 January 2019
IFRS 2 (Amendments)	Share-based payments - classification and measurement	*1 January 2018
Annual improvements	2014-2016 Cycle	*1 January 2017/ 1 January 2018
IAS 40 (Amendments)	Transfer of investment property	1 January 2017
IFRIC Interpretations 22	Foreign currency transactions and advanced consideration	1 January 2018

IFRS 4 (Amendments)	Applying IFRS 9 'with IFRS 4' Insurance contracts	*1 January 2018
IFRIC 22	Foreign currency transactions and advance consideration	*1 January 2018
IAS 40 (Amendments)	Transfers of investment properties	*1 January 2018

* Subject to EU endorsement

The Company is evaluating the impact of the new and amended standards above. The Directors believe that these new and amended standards are not expected to have a material impact on the Company's results or shareholders' funds but this will revisited once an acquisition has been made. However, the following standards should be looked at in more detail:

IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through OCI and fair value through P&L. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss.

IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under IAS 39. The standard is effective for accounting periods beginning on or after 1 January 2018 but early adoption is permitted.

As at the year end, the Company only hold basic financial instruments such as loans and receivables and other liabilities measured at amortised cost. Because of this, the Director's believe the potential changes caused by IFRS 9 will be immaterial until an acquisition of a trading company has taken place.

IFRS 15, 'Revenue from contracts with customers' deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2018 and earlier application is permitted.

As at the year-end and at the date of the approval of the financial statements, no revenue has been generated. Revenue will only be generated once an acquisition of a trading company has taken place. Once this is the case, the Company will determine a reasonable time frame for adopting IFRS 15 and the best approach in providing reliable comparative information.

b) Significant accounting judgements, estimates and assumptions

The preparation of the financial statements in conformity with International Financial Reporting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

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. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The principal areas in which judgement is applied are as follows:

Going Concern

The preparation of financial statements requires an assessment on the validity of the going concern assumption.

The Directors have reviewed projections for a period of at least 12 months from the date of approval of the financial statements. The Company has no revenues but significant cash resources were raised following its listing to finance its activities whilst it identifies and completes suitable acquisition opportunities. On 30 September 2016, a potential acquisition of Lime Holdings Limited was halted. Since this time, the Company have been looking at other potential acquisitions but as of yet have not come to a binding agreement.

In making their assessment of Going Concern, the Directors acknowledge that the Company has a very small cost base and can therefore confirm that they hold sufficient funds to ensure they can meet their ongoing working capital needs to settle their debts as they fall due for a period of at least one year from date of approval of these financial statements. Accordingly, the Board believes it is appropriate to adopt the going concern basis in the preparation of the financial statements.

c) Financial Instruments

Financial assets and liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument. The Company currently does not use derivative financial instruments to manage or hedge financial exposures or liabilities.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Company's loans and receivables comprise Trade and Other Receivables and Cash and Cash Equivalents in the Statement of Financial Position

d) Trade and Other Receivables and Payables

Trade and other receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not they are presented as non-current assets.

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

Other liabilities measured at amortised cost are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. The liabilities are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer. If not, they are presented as non-current liabilities.

The liabilities are recognised initially at fair value, and subsequently measured at amortised cost using the effective interest method.

e) De-recognition of Financial Instruments

i. Financial Assets

A financial asset is derecognised where:

- the right to receive cash flows from the asset has expired;
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a pass-through arrangement; or
- the Company has transferred the rights to receive cash flows from the asset, and either has transferred substantially all the risks and rewards of the asset or has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

ii. Financial Liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of comprehensive income.

f) Taxation

Current Tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and the tax laws used to compute the amount are those that are enacted or substantively enacted by the statement of financial position date.

Deferred Tax

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, with the following exceptions:

- where the temporary difference arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting nor taxable profit or loss;
- in respect of taxable temporary differences associated with investment in subsidiaries, associates and joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future; and
- deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the statement of financial position date.

The carrying amount of deferred income tax assets is reviewed at each statement of financial position date. Deferred income tax assets and liabilities are offset, only if a legally enforcement right exists to set off current tax assets against current tax liabilities, the deferred income taxes related to the same taxation authority and that authority permits the Company to make a single net payment.

Income tax is charged or credited directly to equity if it relates to items that are credited or charged to equity. Otherwise income tax is recognised in the statement of comprehensive income.

g) Segmental Reporting

At this point, identifying and assessing investment projects is the only activity the Company is involved in and is therefore considered as the only operating/reportable segment.

Therefore the financial information of the single segment is the same as that set out in the Company statement of comprehensive income, Company statement of financial position, the Company statement of changes to equity and the Company statement of cashflows.

h) Financial Risk Management Objectives and Policies

The Company does not enter into any forward exchange rate contracts.

The main financial risks arising from the Company's activities are cash flow interest rate risk, liquidity risk, price risk (fair value) and credit risk. Further details on the risk disclosures can be found in Note 13.

i) Equity

Equity instruments issued by the Company are recorded net at proceeds after direct issue costs.

j) Cash and Cash Equivalents

Cash and cash equivalents comprise cash held in bank. This definition is also used for the Statement of Cash Flows.

The Company considers the credit ratings of banks in which it holds funds in order to reduce exposure to credit risk. The Company only keeps its holdings of cash and cash equivalents with institutions which have a minimum credit rating of 'A-'.

The Company considers that it is not exposed to major concentrations of credit risk.

3. Expenses by Nature

	Year ended 31 December 2016 £	Period ended 31 December 2015 £
Advertising and PR	80,400	17,050
Fees payable to the Company's auditor:		
- for the audit of the annual accounts	11,575	7,025
- non audit services	24,000	-
Legal and professional fees	296,016	6,825
Establishment expenses	107,907	15,127
Total Administrative expenses	**519,898**	**46,027**

4. Income tax

Analysis of charge in the year

	Year ended 31 December 2016 £	Period ended 31 December Restated 2015 £
Current tax:		
UK corporation tax on loss for the year	-	-
Deferred tax	-	-
Tax on loss on ordinary activities	-	-
Loss on ordinary activities before tax	(519,898)	(80,367)
Analysis of charge in the year		
Loss on ordinary activities multiplied by rate of corporation tax in the UK of 20%	(103,980)	(16,073)
Disallowed items	54,145	3,168
Timing differences	-	3,700
Tax losses carried forward	(49,835)	(9,205)
Current tax charge	-	-
Effects of:		
Tax Loss brought forward	(46,027)	-
Prior year adjustment	(18,498)	-
Tax Loss in period unutilised	(230,673)	(46,027)
Tax Loss carried forward	(295,198)	(46,027)
Current tax charge for the year as above	-	-

The Company has accumulated tax losses arising in the UK of approximately £295,198 (Dec 2015: £46,027) that are available, under current legislation, to be carried forward against future profits. No deferred tax asset has been recognised against these losses.

5. Earnings per share

The calculation of the Basic and fully diluted earnings per share is calculated by dividing the loss for the year from continuing operations of £519,898 (2015: £80,367) for the Company by the weighted average number of ordinary shares in issue during the year of 65,173,973 (2015: 16,519,016).

There are no potential dilutive shares in issue.

6. Trade and other receivables

	As at 31 December 2016 £	As at 31 December 2015 £
VAT receivable	-	28,082
Other receivables	180	335
Prepayments	1,500	2,750
	1,680	**31,167**

There are no material differences between the fair value of trade and other receivables and their carrying value at the year end.

No receivables were past due or impaired at the year end.

7. Cash and cash equivalents

	As at 31 December 2016 £	As at 31 December 2015 £
Cash at bank	1,045,723	1,323,869
	1,045,723	**1,323,869**

8. Called up share capital

On 30 October 2015 and prior to the Company's listing, 21,600,000 new Ordinary Shares of £0.01 nominal value had been issued at par and fully paid. On 9 November 2015 following the Company's listing on the London Stock Exchange, 43,300,000 new Ordinary Shares of £0.01 nominal value were issued, fully paid at a premium of £0.02 per share. On 11th November 2016 2,000,000 new Ordinary Shares of £0.01 nominal value were issued at a premium of £0.03 per share to M6 Limited as settlement for a fee of £80,000 for online marketing services.

The ordinary shares have attached to them full voting, dividend and capital distribution rights (including on a winding up). The ordinary shares do not confer any rights of redemption.

	Number of Shares Ordinary Shares	Share Capital £
At 1 March 2015	5,000,001	50,000
Subscription 29 July 2015	2,499,999	25,000
Intermediate Placees subscription 30 October 2015	14,100,000	141,000
Placing 9 November 2015	43,300,000	433,000
At 1 January 2016	64,900,000	649,000
Ordinary Shares issued 11 November 2016	2,000,000	20,000

At 31 December 2016

Ordinary Shares of £0.01	66,900,000	669,000

9. Share Premium

Summary of Share Premium

	Share Premium Paid (net of cost of shares) £	Less share issue costs £	Net Share Premium £
At 1 March 2015	-	-	-
Placing 9 November 2015	866,000	(84,757)	781,243
At 1 January 2016	866,000	(84,757)	781,243
Ordinary Shares issued 11 November 2016	60,000	-	60,000
At 31 December 2016	926,000	(84,757)	841,243

10. Trade and other payables

	As at 31 December 2016 £	As at 31 December 2015 £
Accruals	143,695	11,430
	143,695	**11,430**

11. Related party disclosures

With effect from 11 November 2015, M6 Limited ("**M6**") entered into an agreement to provide web development, online marketing, mobile application development and marketing, content production, advertising, public relations, and lead generation services to the Company for a fee of £80,000. The Company has agreed with M6 to issue 2,000,000 Ordinary Shares at the Placing Price at Admission in settlement of monies owed to M6. As at 11 November 2016, 2,000,000 Ordinary Shares were issued to M6 as payment for their services; further details of this transaction are disclosed in note 8. Adrian Beeston, a director of the Company, is also a director of M6 and holds c.17 per cent. of the issued ordinary share capital of M6 Limited.

During the year, the Company paid £20,239 (2015: £3,000) to Dukemount Capital Plc in respect of rent. Peter Redmond, a Director of the Company, is also Director of Dukemount Capital Plc. As at the year-end, £Nil (2015: £1,500) was owed to Dukemount in respect of rent.

12. Directors' emoluments

Details concerning Directors' remuneration can be found below. The Directors are considered to be the key management.

Name of Director	Short term employee benefits	Post employment benefits	Other long term benefits	Termination benefits	Other	Total
Geoffrey Dart	-					-
Peter Redmond	-					-
Adrian Beeston	-					-
Total	-	-	-	-	-	-

Further information concerning Directors' remuneration can be found in the Directors' Remuneration report.

13. Financial instruments

The following table sets out the categories of financial instruments held by the Company as at the year ended 31 December 2016 and period ended 31 December 2015:

2016	**Loans and Receivables £**	**Total £**
Trade and other receivables, except prepayments	180	180
Cash and cash equivalents	1,045,723	1,045,723
	1,045,903	**1,045,903**

2015	**Loans and Receivables £**	**Total £**
Trade and other receivables, except prepayments	28,417	28,417
Cash and cash equivalents	1,323,869	1,323,869
	1,352,286	**1,352,286**

2016	**Other financial liabilities at amortised cost £**	**Total £**
Trade and other payables	143,695	143,695
	143,695	**121,695**

2015	**Other financial liabilities at**	**Total**

	amortised cost	
	£	£
Trade and other payables	11,430	11,430
	11,430	**11,430**

Cash & cash equivalents
All of the cash balance as per the Statement of Financial Position is held with the following institutions:

	2016	2015
	£	**£**
Metro Bank PLC	1,044,502	1,323,869
Royal Bank of Scotland	1,221	-

a) Interest rate risk

The Company has floating rate financial assets in the form of deposit accounts with major banking institutions; however, it is not currently subjected to any other interest rate risk.

Based on cash balances as above as at the statement of financial position date, a rise in interest rates of 1% would not have a material impact on the profit and loss of the Company and such is not disclosed.

In relation to sensitivity analysis, there was no material difference to disclosures made on financial assets and liabilities.

b) Liquidity risk

The Company regularly reviews its major funding positions to ensure that it has adequate financial resources in meeting its financial obligations. The Company takes liquidity risk into consideration when deciding its sources of funds. The principle liquidity risk facing the business is the risk of going concern which has been discussed in Note 2 (b).

c) Credit risk

The Company had receivables of £1,680 at 31 December 2016. Company receivables of £1,680 at the year end were not past due, and the Directors consider there to be no credit risk arising from these receivables.

d) Capital risk management

The Company defines capital as the total equity of the Company. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

e) Fair value of financial assets and liabilities

There are no material differences between the fair value of the Company's financial assets and liabilities and their carrying values in the financial statements.

14. Staff Costs

During the year to 31 December 2016 there were no staff costs as no staff were employed by the Company other than the directors. Therefore, the average staff number for the year was 3 in administration, this includes the Directors.

15. Ultimate Controlling Party

The Directors have determined that there is no controlling party as no individual shareholder holds a controlling interest in the Company.

16. Copies of the Annual Report

Copies of the annual report will be available on the Company's website at www.silverfalconplc.com and from the Company's registered office, 5 Fleet Place, London EC4M 7RD.