Spinnaker Opportunities Plc

Annual Report & Financial Statements for the year ended 31 December 2019

Company Registration No. 10485105 (England and Wales)

Contents

Company information

Directors

Andrew Morrison
Anthony Harpur
Alan Hume

Company Secretary

David Little

Registered Office

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WC1B 4HP

Registered Number

10485105

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Peterhouse Capital Limited
3rd Floor
80 Cheapside
London
EC2V 6EE

SI Capital Limited
46 Bridge Street
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Independent Auditor

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Statutory Auditor
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E14 4HD

Solicitors

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WC1B 4HP

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WC1 5HA

Registrars

Neville Registrars
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Steelpark Road
Halesowen
B62 8HD

Chairman's Statement

I am pleased to present the audited financial statements to shareholders for the year ended 31 December 2019.

The year under review was dominated, as far as the Company was concerned, by preparations for the acquisition of Kanabo Research Ltd ("Kanabo") and the re-admission of the enlarged Company to trading on the Standard List segment of the London Stock Exchange. Preparations are now well advanced, we are confident, and we look forward to the next exciting phase for the Company, one that we believe will reward the patience of our investors.

The key transaction milestones passed during the year were:

- On 27 February 2019, the Company announced that it had signed a non-binding Heads of Terms to acquire the entire issued share capital of Kanabo. As the acquisition of Kanabo will constitute a Reverse Take Over ("RTO") under the London Stock Exchange Listing Rules, the Company requested an immediate suspension of its listing which took effect from the same date.

- On 19 July 2019, the Company announced the terms of a contractual investment commitment, via Peterhouse Capital Limited, for a maximum of £1.4 million from a single professional investor, conditional on the completion of the acquisition of Kanabo and re-admission to trading by an agreed long-stop date. This commitment remains valid.

- On 2 December 2019, the Company announced the execution of the Share Purchase Agreement covering the acquisition of Kanabo, following receipt of the provisional approval granted by the competent Israeli authority responsible for the regulation of cannabis-related businesses for the proposed acquisition by Spinnaker and my continuation as a director.

- On the same date, Spinnaker and Kanabo entered into a Loan Facility Agreement under which Spinnaker agreed to advance £200,000 to Kanabo in order to provide additional working capital to support sales growth pending completion of the acquisition transaction. The second tranche of £100,000 under the agreement was disbursed on 21 January 2020.

The acquisition of Kanabo will be satisfied by the issue and allotment of new ordinary shares in the capital of the Company (the "Consideration Shares"), such Consideration Shares to be issued at an agreed placing price, and within certain agreed target valuation parameters. The placing price will be determined following the completion of fundraising activities being undertaken by the Company's brokers in connection with the RTO.

Whilst the terms of the acquisition have been agreed, completion remains subject to the satisfaction of certain conditions, including inter alia:

- The transaction will constitute a reverse takeover under the Listing Rules and will be subject to approval by shareholders of the Company at a general meeting

- The Company having obtained a waiver from the Takeover Panel under Rule 9 of the Takeover Code
- The successful completion of fundraising activities to be undertaken by way of a placing and direct subscriptions by new and existing investors

- Re-listing of the enlarged group on the London Stock Exchange

Accordingly, there can be no absolute certainty that the transaction will proceed.

A prospectus setting out final details of the acquisition and re-admission transaction is expected to be published shortly, together with a notice of meeting convening and setting out the resolutions required to be endorsed by members at a general meeting in order to complete the transaction.

It is fair to say, I think, that the transaction with Kanabo has taken longer to complete than we initially expected. In early 2019, many industry commentators were looking over the Atlantic towards Canada and predicting the arrival of a cohort of new cannabis-related businesses to the London Stock Exchange before summer 2019. In the event, this did not happen, and it remains possible, even likely, that the Company will be first to have such a prospectus approved. As a cash shell, with the objective of making a single acquisition, the Company has been well positioned to adopt a patient approach in order to help pioneer a dynamic new sector. We have been admirably supported in this approach by our legal advisers Hill Dickinson, our financial advisers Peterhouse Capital and the whole transaction team. Their efforts and stamina have been much appreciated.

That we have progressed as far as we have is not all down to patience and stamina. Luck has played its part too! We were fortunate to select a business model in Kanabo that involves vaporisation rather than ingestion and therefore is not subject to the EU Novel Foods regime that complicated the picture for some others. By focusing on operations in Israel, the UK and Germany, we have not had to convince regulators about the adequacy of cannabis sector regulation in unfamiliar jurisdictions.

The main challenges have been in working with Kanabo and the regulatory framework to shape the business into one that is capable of being listed in London and navigating the new prospectus rules that came into force during the year. With the sector being new and dynamic, both Kanabo and the regulatory framework have at times presented moving targets. We also saw a vaporisation scare in North America which for a time threatened user acceptance of vaporisation as a safe delivery method for cannabis-related products. Kanabo are supportive of and can expect to benefit from proper regulation of the industry.

The business development activities during the year were undertaken for Spinnaker by a team comprising the Directors and retained advisers. Retained advisers provide the benefit of their experience on issues such as target quality, potential capital expenditure requirements, commodity market dynamics and business development to assist the Directors in formulating an investment decision. The role of the retained adviser is to advise the Board on a discretionary, part-time consultancy basis as the Board assesses potential acquisitions. In common with the Directors, retained advisers do not receive any fees for their ordinary duties prior to completion of an acquisition transaction. I take this opportunity to thank each of them for their dedication and hard work.

Overall, what we particularly like about Kanabo are the strength in depth of the management team and the foundation of science that underpins the business. In a fast-changing business, these are strengths that we believe will enable the enlarged group to thrive. If the experience in Canada is anything to go by, the early movers will do well.

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Andrew Morrison
Chairman

10 March 2020

Board of Directors and Senior Management

Andrew Morrison – Non-Executive Chairman
An outcome-focused Director, General Manager and Chief Executive of growth businesses with successful experience in both major multi-national corporations and smaller public companies. A background in strategic business development combined with technical literacy and an entrepreneurial mind-set and a record of commercial delivery across energy and process industries. Andrew will be responsible for commercial matters and the overall management of Spinnaker Opportunities ('SOPlc'), and in particular in the sourcing and negotiation of a pipeline of RTO opportunities for the business to action.

Anthony Harpur – Non-Executive Director
A senior oil executive in the oil trading units of BP and Shell and ex-CEO of an oil and chemicals trading company based in the Middle East. Anthony is now retired and is a volunteer expedition and walks leader. He welcomes the opportunity to use his knowledge and experience to help SOPlc seek an acquisition of a material business opportunity. In addition to his overall duties, Anthony will contribute to the origination, screening and due diligence on the RTO acquisition inventory.

Alan Hume – Non-Executive Director
Alan is a dynamic and highly developed CFO with significant experience in the oil and gas exploration and production sector as well as the broader energy market. Alan has also held senior finance, commercial and operational roles in the oilfield services, engineering, construction and energy production sectors.

Alan's career has seen him hold many domestic, as well as international, financial responsibilities. He has experience in bringing companies to market as well as leading acquisition and disposal activities. His expertise encompasses blue chip American organisations, AIM listed companies, a TSX-V listed company and start-up ventures.

Alan is a Fellow of the Chartered Institute of Management Accountants.

Directors' Report

The Directors present their report with the audited financial statements of the Company for the year ended 31 December 2019. A commentary on the business for the year is included in the Chairman's Statement on page 3. A review of the business is also included in the Strategic Report on pages 11 to 14.

The Company's Ordinary Shares were admitted to listing on the London Stock Exchange, on the Official List pursuant to Chapters 14 of the Listing Rules, which sets out the requirements for Standard Listings.

Directors

The Directors of the Company during the year and their beneficial interest in the Ordinary shares of the Company at 31 December 2019 were as follows:

Director	Position	Appointed	Resigned	Ordinary shares	Options	Warrants
Andrew Morrison*	Non-Executive Chairman	17/11/2016	-	4,600,080	1,250,000	3,400,000
Anthony Harpur	Non-Executive Director	21/02/2017	-	1,400,000	350,000	1,000,000
Alan Hume	Non-Executive Director	17/09/2018	-	400,000	-	400,000

* The shares and warrants held by Andrew Morrison are held by HSBC Global Custody Nominee (UK) Ltd on behalf of his Self-Invested Personal Pension (SIPP) and Individual Savings Account (ISA).

Qualifying Third Party Indemnity Provision

At the date of this report, the Company has a third-party indemnity policy in place for all three Directors.

Directors' Report (continued)

Substantial shareholders

As at 31 December 2019, the total number of issued Ordinary Shares with voting rights in the Company was 29,400,120. Details of the Company's capital structure and voting rights are set out in note 10 to the financial statements.

The Company has been notified of the following interests of 3 per cent or more in its issued share capital as at the date of approval of this report.

Party Name	Number of Ordinary Shares	% of Share Capital
Share Nominees Ltd	5,934,262	20.2%
HSBC Global Custody Nominee (UK) Ltd	4,600,080	15.6%
Hargreaves Lansdowne (Nominees) Ltd	3,073,575	10.5%
JIM Nominees Ltd	2,651,088	9.0%
Thomas Grant & Co Nominees Ltd	1,495,940	5.1%
Anthony Harpur	1,400,000	4.8%
Fiske Nominees Ltd	1,230,000	4.2%
Interactive Investor Services Nominees Ltd	1,184,291	4.0%
HSDL Nominees Ltd	1,029,476	3.5%
Mr Gerwyn Williams	1,000,000	3.4%
Barclays Direct Investing Nominees Ltd	990,034	3.4%

Financial instruments

Details of the use of the Company's financial risk management objectives and policies as well as exposure to financial risk are contained in the Accounting policies and note 14 of the financial statements.

Greenhouse Gas (GHG) Emissions

The Company is aware that it needs to measure its operational carbon footprint in order to limit and control its environmental impact. However, given the very limited nature of its operations during the year under review, it has not been practical to measure its carbon footprint.

In the future, the Company will only measure the impact of its direct activities, as the full impact of the entire supply chain of its suppliers cannot be measured practically.

Dividends

The Directors do not propose a dividend in respect of the year ended 31 December 2019 (31 December 2018: nil).

Future developments and events subsequent to the year end

Further details of the Company's future developments and events subsequent to the year-end are set out in the Strategic Report on pages 11 to 15.

Corporate Governance

The Governance report forms part of the Director's Report and is disclosed on pages 16 to 22.

Directors' Report (continued)

Going Concern

The Company's business activities, together with facts likely to affect its future operations and financial and liquidity positions are set out in the Chairman's Statement and also note 2 of the financial statements. In addition, note 14 to the financial statements disclose the Company's financial risk management policy.

The Directors, having made due and careful enquiry, are of the opinion that the Company has adequate working capital to execute its operations over the next 12 months. In the scenario of a successful RTO, sufficient funds will be raised to undertake the identified future plan for the enlarged Company. If the RTO does not complete, the Directors have satisfied themselves that the Company has adequate existing cash resources to continue operating over the following 12 months. The Directors therefore have made an informed judgement, at the time of approving the financial statements, that there is reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. As a result, the Directors have adopted the going concern basis of accounting in the preparation of the annual financial statements.

Principal Activities

The Company's principal activity is to seek an acquisition in the energy and industrial sectors, with focus since September 2018 on the cannabis processing industry.

Auditors

The Board appointed PKF Littlejohn LLP as auditors of the Company on 12 December 2018. They have expressed their willingness to continue in office and a resolution to reappoint them will be proposed at the Annual General Meeting.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report alongside the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that year. The Directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies with a Standard Listing.

In preparing these financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and accounting estimates that are reasonable and prudent;
- State whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements; and

Directors' Report (continued)

- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements and the Remuneration Committee Report comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. They are also responsible to make a statement that they consider that the annual report and accounts, taken as a whole, is fair, balanced, and understandable and provides the information necessary for the shareholders to assess the Company's position and performance, business model and strategy.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Statement of Directors' responsibilities pursuant to Disclosure and Transparency Rule

Each of the Directors, whose names and functions are listed on page 6 confirm that, to the best of their knowledge and belief:

- the financial statements prepared in accordance with IFRS as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and loss of the Company; and

- the Annual Report and financial statements, including the Strategic Report, includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that they face.

Disclosure of Information to Auditors

So far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware, and each Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This directors' report was approved by the Board of Directors on 10 March 2020 and is signed on its behalf by:

……………………………
Andrew Morrison
Chairman

Strategic Report

The Directors present the Strategic Report of Spinnaker Opportunities Plc for the year ended 31 December 2019.

Section 172(1) Statement - Promotion of the Company for the benefit of the members as a whole

The Directors believe they have acted in the way most likely to promote the success of the Company for the benefit of its members as a whole, as required by s172 of the Companies Act 2006.

The requirements of s172 are for the Directors to:

- Consider the likely consequences of any decision in the long term;
- Act fairly between the members of the Company;
- Maintain a reputation for high standards of business conduct;
- Consider the interests of the Company's employees;
- Foster the Company's relationships with suppliers, customers and others; and
- Consider the impact of the Company's operations on the community and the environment.

The Company operates as a cash shell, which has been successful in sourcing a business to acquire and is in the process of applying to the FCA to re-admit to the LSE main market. The pre-revenue nature of the business is important to the understanding of the Company by its members and suppliers, and the Directors are as transparent about the cash position and funding requirements as is allowed under LSE regulations.

The application of the s172 requirements can be demonstrated in relation to some of the key decisions made during 2019:

- Any contracts for services provided have been undertaken with a clear cap on financial exposure.
- Maintain a policy of no remuneration for the Directors.

As a cash shell Company, the Board seriously considers its ethical responsibilities to the communities and environment

Review of Business in the Period

Operational Review

The Company's principal activity is set out in the Directors' Report on page 9.

On 27 February 2019, the Company requested suspension of its listing following the signing of a non-binding Heads of Terms to acquire the entire issued share capital of Kanabo Research Limited.

Business Strategy

The Company is focused on delivering a material acquisition in the cannabis processing industry and a number of opportunities had been evaluated before the decision to proceed with the Kanabo transaction was taken.

Strategic Report (continued)

Event since the year end

A further £100,000 loan has been extended to Kanabo since 31st December 2019. This was anticipated in the Facility Agreement.

Financial review

Results for the 2019 period

The Company incurred a loss for the year to 31 December 2019 of £363,000 (31 December 2018 – loss of £159,000).

The loss for the year occurred as a result of on-going administrative expenses required to operate the Company and costs in relation to pursuing the completion of the identified acquisition transaction.

Cash flow

Net cash outflow for 2019 was £444,000 (31 December 2018 - £41,000 outflow).

Closing cash

As at 31 December 2019, the Company held £597,000 of cash (31 December 2018 - £1,041,000).

Key Performance Indicators

The sole KPI for the Company has been to source a suitable acquisition target. This KPI has been met with the identification of Kanabo as the RTO target.

Position of Company's Business

At the year end

At the year end the Company's Statement of Financial Position shows net assets totaling £674,000 (31 December 2018 – £1,037,000). The Company has few liabilities and is considered to have a strong cash position at the reporting date.

Environmental matters

The Board contains personnel with a good history of running businesses that have been compliant with all relevant laws and regulations and there have been no instances of non-compliance in respect of environmental matters.

Employee information

At present, there are no female Directors in the Company. The Company has a Chairman and two Non-Executive Directors. There are also two Board advisers. The Company is committed to gender equality and, if future roles are identified, a wide-ranging search would be completed with the most appropriate individual being appointed irrespective of gender.

Strategic Report (continued)

Social/Community/Human rights matters

The Company ensures that employment practices take into account the necessary diversity requirements and compliance with all employment laws. The Board has experience in dealing with such issues and sufficient training and qualifications to ensure they meet all requirements.

Anti-corruption and anti-bribery policy

The government of the United Kingdom has issued guidelines setting out appropriate procedures for companies to follow to ensure that they are compliant with the UK Bribery Act 2010. The Company has conducted a review into its operational procedures to consider the impact of the Bribery Act 2010 and the Board has adopted an anti-corruption and anti-bribery policy.

Principal Risks and Uncertainties

The Company operates in an uncertain environment and is subject to a number of risk factors. The Directors consider the following risk factors are of particular relevance to the Company's activities although it should be noted that this list is not exhaustive and that other risk factors not presently known or currently deemed immaterial may apply.

Risks/Uncertainties to the Company		
Issue	**Risk/Uncertainty**	**Mitigation**
Unproven business model	The Company has not yet commenced trading and must complete an acquisition in a timely manner. The Company is currently in the process of applying for re-admission to the LSE market post an acquisition in the cannabis processing industry.	The management team has experience in advising, investing in and/or managing a number of companies across a variety of sectors. External advisers with specific related knowledge and experience have been brought in following the Company's decision to focus on the cannabis processing industry.
The Company may face significant competition in its chosen industry	There may be significant competition faced by the Company. The Company is currently focussed on the cannabis processing industry which received considerable publicity in recent years. Such competition may come from fellow investors looking to buy into similar targets or, following an acquisition, an excess in suppliers when the time comes to market the product. A number of these competitors may possess greater technical, financial and other resources than the Company.	The growth prospects in the cannabis industry are widely regarded as very strong, which may help to reduce the effect of competition. By consulting with knowledgeable experts in the industry, carrying out thorough due diligence on potential targets and extensive market research, the Company may reduce this risk.
The Company relies on the experience and talent of its management and advisors	The successful management and operations of the Company are reliant upon the contributions of directors and advisors. In addition, the Company's future success depends in part on its ability to continue to recruit, motivate and retain highly experienced and qualified directors and consultants.	The Company offers incentives to Directors through participation in share offerings, which makes them linked to the long term success of the business.

Strategic Report (continued)

Principal Risks and Uncertainties (continued)

Risks/Uncertainties to the Company		
Issue	**Risk/Uncertainty**	**Mitigation**
The Company may be subject to changes in regulation affecting its target industry	The cannabis processing industry in which the Company is focussed on is controversial and is highly regulated. Against a backdrop of overall liberalisation, the industry will likely continue to be the subject of regulatory oversight. Compliance with various laws and regulations may impose compliance costs and restrictions on the Company, with fines and/or sanctions for non-compliance.	The Company monitors legislative and regulatory changes and alters its business practices where appropriate. In the event that the Company becomes subject to specific regulation regarding its activities either before or after an acquisition, the Company will put in place such procedures as are necessary to ensure it complies with such regulation.
Raising funding	Following completion of an acquisition, the Company must have sufficient cash to fund the operations of the enlarged business which may be significant given that it must carry out ongoing research and is in the drug sector. It may not be easy to obtain additional funds in an industry that could be viewed as high risk.	It is anticipated that a reverse acquisition will take place and that funds will be raised for the enlarged business in conjunction with this. The Company monitors its cash requirements carefully and the net proceeds from the share issues in prior periods have been conserved as much as possible pending completion of an acquisition. Whilst the cannabis processing industry could be considered risky, the returns are considered attractive.

Composition of the Board

A full analysis of the Board, its function, composition and policies, is included in the Governance Report.

Capital structure

The Company's capital consists of ordinary shares which rank pari passu in all respects which are traded on the Standard segment of the Main Market of the London Stock Exchange. There are no restrictions on the transfer of securities in the Company or restrictions on voting rights and none of the Company's shares are owned or controlled by employee share schemes. There are no arrangements in place between shareholders that are known to the Company that may restrict voting rights, restrict the transfer of securities, result in the appointment or replacement of Directors, amend the Company's Articles of Association or restrict the powers of the Company's Directors, including in relation to the issuing or buying back by the Company of its shares or any significant agreements to which the Company is a party that take effect after or terminate upon, a change of control of the Company following a takeover bid or arrangements between the Company and its Directors or employees providing for compensation for loss of office or employment (whether through resignation, purported redundancy or otherwise) that may occur because of a takeover bid.

Approved by the Board on 10 March 2020

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Andrew Morrison
Chairman

Governance Report

Introduction

The Company recognises the importance of, and is committed to, high standards of Corporate Governance. Whilst the Company is not formally required to comply with the UK Corporate Governance Code, the Company has voluntarily applied the requirements of the UK Code of Corporate Governance published in April 2016 (the Code). The following sections explain how the Company has applied the Code:

Compliance with the UK Code of Corporate Governance

The UK Corporate Governance Code, as published by the Financial Reporting Council, is the corporate governance regime for England and Wales. The Company has stated that, to the extent practicable for a company of its size and nature, it follows the UK Corporate Governance Code. The Directors are aware that there are currently certain provisions of the UK Corporate Governance Code that the Company is not in compliance with, given the size and early stage nature of the Company. These include:

- Provision 24 of the Code requires that the board should establish an Audit Committee with at least two independent non-executive directors. The Audit Committee comprises of one non-executive director who cannot be assessed as independent. The Directors consider the present composition to be adequate given the size of the Company and volume of transactions.

- Provision 24 of the Code requires that at least one member of the Audit Committee must have the relevant financial experience. The Committee consisted of one Non-Executive Director at the year-end, who does not directly have experience in accounting or auditing. However, his experience of finance gained in the industry is considered sufficient given the present size and stage of development of the Company. See also page 18.

- Provision 32 of the Code requires that the board should establish a Remuneration Committee with at least two independent non-executive directors. The Remuneration Committee comprises of one non-executive director who cannot be assessed as independent . The Directors consider the present composition to be adequate given the size of the Company and volume of transactions

- Provision 11 of the Code requires that at least half of the board should be non-executive directors whom the board considers to be independent. Non-Executive Directors are interested in ordinary shares in the Company and cannot therefore be considered fully independent under the Code. However, the Non-Executive Directors are considered to be independent in character and judgement.

- As a consequence of the above, where provisions of the Code require the appointment of independent directors, for example as chairman or as senior independent director, the Company is not in full compliance with the Code – this applies in relation to various provisions of the Code including 9 and 12. However, the Directors consider the present structure and arrangements to be adequate given the size and stage of development of the Company.

Governance Report (continued)

Compliance with the UK Code of Corporate Governance (continued)

- The roles of Chairman and Chief Executive are undertaken by the same individual. This is outside of provision 9 of the Corporate Governance Code applicable to smaller companies, which requires that these roles should not be exercised by the same individual. However, the Directors consider the present structure and arrangements to be adequate given the size and stage of development of the Company.

- Provision 17 states that the board should establish a Nomination Committee of which the majority of members of the committee should be independent non-executive directors. The Nomination Committee comprises of one non-executive director who cannot be assessed as independent. As set out in page 20, an informal induction is considered sufficient given the size and limited complexity of the Company. See point on independence above.

The UK Corporate Governance Code can be found at www.frc.org.uk.

Set out below are Spinnaker Opportunities' corporate governance practices for the year ended 31 December 2019. After the Company has completed an acquisition, these corporate governance practices will be considered and reviewed to ensure they remain appropriate.

Leadership

The Company is headed by an effective Board which is collectively responsible for the long-term success of the Company.

The role of the Board - The Board sets the Company's strategy, ensuring that the necessary resources are in place to achieve the agreed strategic priorities, and reviews management and financial performance. It is accountable to shareholders for the creation and delivery of strong, sustainable financial performance and long-term shareholder value. To achieve this, the Board directs and monitors the Company's affairs within a framework of controls which enable risk to be assessed and managed effectively. The Board also has responsibility for setting the Company's core values and standards of business conduct and for ensuring that these, together with the Company's obligations to its stakeholders, are widely understood throughout the Company. The Board has a formal schedule of matters reserved which is provided later in this report.

Board Meetings - The core activities of the Board are carried out in scheduled meetings of the Board. These meetings are timed to link to key events in the Company's corporate calendar and regular reviews of the business are conducted. Additional meetings and conference calls are arranged to consider matters which require decisions outside the scheduled meetings. During the year, the Board met on 13 occasions. Outside the scheduled meetings of the Board, the Directors maintain frequent contact with each other to discuss any issues of concern they may have relating to the Company or their areas of responsibility, and to keep them fully briefed on the Company's operations. Where Directors have concerns which cannot be resolved about the running of the company, or a proposed action, they will ensure that their concerns are recorded in the Board minutes.

Governance Report (continued)

Matters reserved specifically for Board - The Board has a formal schedule of matters reserved that can only be decided by the Board. The key matters reserved are the consideration and approval of:

- The Company's overall strategy;
- Financial statements and dividend policy;
- Management structure including succession planning, appointments and remuneration; material acquisitions and disposals, material contracts, major capital expenditure projects and budgets;
- Capital structure, debt and equity financing and other matters;
- Risk management and internal controls;
- The Company's corporate governance and compliance arrangements; and
- Corporate policies.

Certain other matters are delegated to the Board Committees, namely the Audit, Nomination and Remuneration Committees.

Summary of the Board's work in the year – During the year, the Board considered all relevant matters within its remit, but focused in particular on the establishment of the Company and the identification of suitable investment opportunities for the Company to pursue, the associated due diligence work as required and the decisions thereon.

Attendance at meetings:

Member	**Position**	**Meetings attended**
Andrew Morrison	Non-Executive Chairman	13 of 13
Anthony Harpur	Non-Executive Director	13 of 13
Alan Hume	Non-Executive Director	13 of 13

The Board is pleased with the high level of attendance and participation of Directors at Board and committee meetings. Attendance at Committee meetings is detailed in the respective Committee reports.

The Chairman, Andrew Morrison, proposes and seeks agreement to the Board Agenda and ensures adequate time for discussion.

Directors appointed by the Board are subject to election by shareholders at the Annual General Meeting of the Company following their appointment and thereafter are subject to re-election in accordance with the Company's articles of association.

The terms and conditions of appointment of Non-Executive Directors will be made available upon written request.

Governance Report (continued)

Remuneration Committee

The Company has established a Remuneration Committee, the sole member being Anthony Harpur, a Non-Executive Director, to assist the Board in determining its responsibilities in relation to remuneration, including making recommendations to the Board on the policy on remuneration.

The report of the Remuneration Committee is included in this Annual Report. Formal terms of reference for the Remuneration Committee have been documented and are made available for review at the AGM.

Audit Committee

The Company has established an Audit Committee with delegated duties and responsibilities. Due to the size and nature of the Company and Board there is currently only one member of the Audit Committee being Anthony Harpur, a non-Executive Director. Anthony is an experienced senior business leader who has officiated on many committees during his business life. He has held budget and P&L responsibilities and fully understands the requirements of independent audit. The Audit Committee is responsible, amongst other things, for making recommendations to the Board on the appointment of auditors and the audit fee, monitoring and reviewing the integrity of the Company's financial statements and any formal announcements on the Company's financial performance as well as reports from the Company's auditor on those financial statements. In addition, the Audit Committee will review the Company's internal financial control and risk management systems to assist the Board in fulfilling its responsibilities relating to the effectiveness of those systems, including an evaluation of the capabilities of such systems in light of the expected requirements for any specific acquisition target.

The Audit Committee meets at least twice a year and more frequently if required.

Terms of reference of the Audit Committee will be made available upon written request.

The Audit Committee report is included on pages 27-28.

Nominations Committee

The Company has established a Nominations Committee, the members of which are Andrew Morrison and Anthony Harpur. The committee meets as required to fulfil its duties of reviewing the Board structure and composition and identifying and nominating candidates to fill Board vacancies as they arise.

Terms of reference of the Nominations Committee will be made available upon written request.

Governance Report (continued)

The Nominations Committee report is included on page 29.

Other governance matters - All of the Directors are aware that independent professional advice is available to each Director in order to properly discharge their duties as a Director. In addition, each Director and Board committee has access to the advice of the Company Secretary.

The Company Secretary - The Company Secretary is David Little who is responsible for the Board complying with UK procedures.

Effectiveness

For the period under review the Board comprised of a Chairman and 2 Non-Executive Directors. Biographical details of the Board members are set out on page 6 of this report.

The Directors are of the view that the Board and its committees consist of Directors with an appropriate balance of skills, experience, independence and diverse backgrounds to enable them to discharge their duties and responsibilities effectively.

Independence - The non-executive Directors bring a broad range of business and commercial experience to the Company. The Board considers all the non-executive Directors to be independent in character and judgement; this has been explored in more detail on page 16.

Appointments – the Board is responsible for reviewing the structure, size and composition of the Board and making recommendations to the Board with regards to any required changes.

Commitments – All Directors have disclosed any significant commitments to the Board and confirmed that they have sufficient time to discharge their duties.

Induction - All new Directors received an informal induction as soon as practical on joining the Board. No formal induction process exists for new Directors, given the size of the Company, but the Chairman ensures that each individual is given a tailored introduction to the Company and fully understands the requirements of the role.

Conflict of interest - A Director has a duty to avoid a situation in which he or she has, or can have, a direct or indirect interest that conflicts, or possibly may conflict with the interests of the Company. The Board had satisfied itself that there is no compromise to the independence of those Directors who have appointments on the Boards of, or relationships with, companies outside the Company. The Board requires Directors to declare all appointments and other situations which could result in a possible conflict of interest.

Board performance and evaluation – The Chairman normally carries out an annual formal appraisal of the performance of the other Directors which takes into account the objectives set in the previous year and the individual's performance in the fulfilment of these objectives.

Governance Report (continued)

Although the Board consisted of three male Directors, the Board supports diversity in the Boardroom and the Financial Reporting Council's aims to encourage such diversity. Aside from the Directors, there are no employees in the Company. The following table sets out a breakdown by gender at 31 December 2019:

	Male	Female
Directors	3	-

The Board will pursue an equal opportunity policy and seek to employ those persons most suitable to delivering value for the Company.

Accountability

The Board is committed to providing shareholders with a clear assessment of the Company's position and prospects. This is achieved through this report and as required other periodic financial and trading statements. The Board has made appropriate arrangements for the application of risk management and internal control principles. The Board has delegated to the Audit Committee oversight of the relationship with the Company's auditors as outlined in the Audit Committee report on pages 27-28.

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

In making their assessment of going concern, the Directors have reviewed forecasts, under both a successful RTO process and one which entails finding another target company, for a period of at least 12 months from the date of approval of these financial statements. The Directors recognise the small cost base of the Company and their ability to conserve cash. As a result the Directors consider that the Company has sufficient funds for the required timeframe and as such they consider it appropriate to adopt the going concern basis in the preparation of the financial statements.

Internal controls - The Board of Directors reviews the effectiveness of the Company's system of internal controls in line with the requirement of the Code. The internal control system is designed to manage the risk of failure to achieve its business objectives. This covers internal financial and operational controls, compliance and risk management. The Company had necessary procedures in place for the year under review and up to the date of approval of the Annual Report and financial statements. The Directors acknowledge their responsibility for the Company's system of internal controls and for reviewing its effectiveness. The Board confirms the need for an ongoing process for identification, evaluation and management of significant risks faced by the Company. The Directors carry out a risk assessment before signing up to any commitments.

The Directors are responsible for taking such steps as are reasonably available to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

At the present, due to the size of the Company, there is no internal audit function. The requirement for internal audit will be considered following the completion of a transaction.

Governance Report (continued)

Shareholder relations

Communication and dialogue – Open and transparent communication with shareholders is given high priority and there is regular dialogue with institutional investors, as well as general presentations made at the time of the release of the annual and interim results. All Directors are kept aware of changes in major shareholders in the Company and are available to meet with shareholders who have specific interests or concerns. The Company issues its results promptly to individual shareholders and also publishes them on the Company's website. Regular updates to record news in relation to the Company and the status of its exploration and development programmes are included on the Company's website. Shareholders and other interested parties can subscribe to receive these news updates by email by registering online on the website free of charge.

The Directors are available to meet with institutional shareholders to discuss any issues and gain an understanding of the Company's business, its strategies and governance. Meetings are also held with the corporate governance representatives of institutional investors when requested.

Annual General Meeting - At every AGM individual shareholders are given the opportunity to put questions to the Chairman and to other members of the Board that may be present. Notice of the AGM is sent to shareholders at least 21 working days before the meeting. Details of proxy votes for and against each resolution, together with the votes withheld are announced to the London Stock Exchange and are published on the Company's website as soon as practical after the meeting.

This Governance Report was approved by the Board and signed on its behalf by:

……………………..…
Andrew Morrison
Non-Executive Chairman
10 March 2020

Remuneration Committee Report

The Remuneration Committee presents its report for the year ended 31 December 2019.

Membership of the Remuneration Committee

The Remuneration Committee is currently comprised of one Non- Executive Director, Anthony Harpur.

During the year ended 31 December 2019, one formal meeting of the Remuneration Committee was held.

Subject to what appears below, no other third parties have provided advice that materially assisted the Remuneration Committee during the year.

The items included in this report are unaudited unless otherwise stated.

Remuneration Committee's main responsibilities

- The Remuneration Committee considers the remuneration policy, employment terms and remuneration of the Board and advisors;
- The Remuneration Committee's role is advisory in nature and it makes recommendations to the Board on the overall remuneration packages;
- The Remuneration Committee, when considering the remuneration packages of the Company's Board, will review the policies of comparable companies in the industry.

Report Approval

A resolution to approve this report will be proposed at the AGM of the Company. The vote will have advisory status, will be in respect of the remuneration policy and overall remuneration packages and will not be specific to individual levels of remuneration.

Remuneration policy

In accordance with the commitments made in the Company's IPO prospectus, the Company does not remunerate any of its Directors or Retained Advisers for their ordinary duties prior to an acquisition and currently has no employees. At this stage of the Company's growth there is therefore no remuneration policy in place. If the Company decides to remunerate the Directors or hires any employees then a policy will be put in place.

There was no vote taken during the last general meeting with regard to the Directors' remuneration policy. This is considered reasonable given that the Company was not listed in the preceding financial year and there was therefore no requirement for such a remuneration policy.

Non-executive Directors

The Company policy is that the Non-Executive Directors are expected to attend scheduled board meetings and attend committee meetings as required. The Company does not have service contracts with any of the directors.

Remuneration Committee Report (continued)

Other Employees

At present there are no other employees in the Company other than the Directors, so this policy only applies to the Board.

Terms of appointment

The services of the Directors are provided in accordance with their appointment letter. Directors are expected to devote such time as is necessary for the proper performance of their duties, but as a minimum they are expected to commit at least one day per month, which shall include attendance at all meetings of the Board and any sub-committees of the Board.

Director	Year of appointment	Number of years completed
Andrew Morrison	2016	4
Anthony Harpur	2017	3
Alan Hume	2018	1

Directors' emoluments and compensation (audited)

Set out below are the emoluments of the Directors for the year ended 31 December 2019 (GBP):

Name of Director	Salary and fees	Taxable benefits	Annual bonus and long term benefits	Pension related benefits	Other	Total
	£	£	£	£	£	£
Andrew Morrison	-	-	-	-	-	-
Anthony Harpur	-	-	-	-	-	-
Alan Hume	-	-	-	-	-	-

Remuneration Committee Report (continued)

Set out below are the emoluments of the Directors for the year ended 31 December 2018 (GBP):

Name of Director	Salary and fees	Taxable benefits	Annual bonus and long term benefits	Pension related benefits	Other	Total
	£	£	£	£	£	£
Andrew Morrison	-	-	-	-	-	-
Anthony Harpur	-	-	-	-	-	-
Alan Hume	-	-	-	-	-	-

Pension contributions (audited)

The Company does not currently have any pension plans for any of the Directors and does not pay pension amounts in relation to their remuneration.

The Company has not paid out any excess retirement benefits to any Directors or past Directors.

Payments to past directors (audited)

The Company has not paid any compensation to past Directors.

Payments for loss of office (audited)

No payments were made for loss of office during the year.

UK Remuneration percentage changes

As the remuneration for the preceding financial year is nil for all Directors, no percentage changes for remuneration have been set out in this report.

UK 10-year performance graph

The Directors have considered the requirement for a UK 10-year performance graph comparing the Company's Total Shareholder Return with that of a comparable indicator. The Directors do not currently consider that including the graph will be meaningful because the Company has only been listed since 2017, is not paying dividends, is currently incurring losses as it gains scale and its focus is to seek an acquisition. In addition and as mentioned above, the remuneration of Directors is not currently linked to performance and we therefore do not consider the inclusion of this graph to be useful to shareholders at the current time. The Directors will review the inclusion of this table for future reports.

Remuneration Committee Report (continued)

UK 10-year CEO table and UK percentage change table

The Directors have considered the requirement for a UK 10-year CEO table. The Directors do not currently consider that including these tables would be meaningful given that the Company is not yet trading and the Directors are not yet remunerated for their services. The Directors will review the inclusion of this table for future reports.

Relative importance of spend on pay

The Directors have considered the requirement to present information on the relative importance of spend on pay compared to shareholder dividends paid. Given that the Company does not currently pay dividends we have not considered it necessary to include such information.

UK Directors' shares (audited)

The interests of the Directors who served during the year in the share capital of the Company at 31 December 2019 and at the date of this report has been set out in the Directors' Report on pages 7-10.

Other matters

In accordance with the Company's IPO Prospectus, subject to completion of an acquisition the Board may award a bonus to one or more Directors and/or Retained Advisers in recognition of their contribution(s) to such acquisition. Any such bonus will be contingent on completion of the acquisition, will be disclosed to the vendors of the acquired business and will also appear in the prospectus associated with re-admission of the enlarged business to trading. Any sums paid as a bonus will not be material in the context of an acquisition and will not in any event exceed 2% of the aggregate of the total consideration paid in connection with acquisition and the gross proceeds of any fundraising associated with the acquisition.

The Remuneration Committee proposed, and it was resolved by the Directors during the period that the success bonus above will be capped at an aggregate amount of £200,000 and will normally be settled in the form of shares rather than in cash.

The Company does not currently have any other annual or long-term incentive schemes in place for any of the Directors and as such there are no disclosures in this respect.

Approved on behalf of the Board of Directors by:

……………………..…
Anthony Harpur
Non-Executive Director
10 March 2020

Audit Committee Report

The Audit Committee comprises one Non-Executive Director, Anthony Harpur. It oversees the Company's financial reporting and internal controls and provides a formal reporting link with the external auditors. The ultimate responsibility for reviewing and approving the annual report and financial statements and the half-yearly report remains with the Board.

Main Responsibilities

The Audit Committee acts as a preparatory body for discharging the Board's responsibilities in a wide range of financial matters by:

- monitoring the integrity of the financial statements and formal announcements relating to the Company's financial performance;
- reviewing significant financial reporting issues, accounting policies and disclosures in financial reports, which are considered to be in accordance with the key audit matters identified by the external auditors;
- overseeing that an effective system of internal control and risk management systems are maintained;
- ensuring that an effective whistle-blowing, anti-fraud and bribery procedures are in place;
- overseeing the Board's relationship with the external auditor and, where appropriate, the selection of new external auditors;
- monitoring the statutory audit of the annual financial statements, in particular, its performance, taking into account any findings and conclusions by the competent authority;
- approving non-audit services provided by the external auditor, or any other accounting firm, ensuring the independence and objectivity of the external auditors is safeguarded when appointing them to conduct non-audit services; and
- ensuring compliance with legal requirements, accounting standards and the Listing Rules and the Disclosure and Transparency Rules.

Governance

The Code requires that at least one member of the Audit Committee has recent and relevant financial experience. Anthony Harpur has over 40 years of experience working with a wide variety of companies. As a result the Board is satisfied that the Audit Committee has recent and relevant financial experience.

Members of the Audit Committee are appointed by the Board and whilst shareholders, the Company believes they are considered to be independent in both character and judgement.

The Company's external auditor is PKF Littlejohn LLP and the Audit Committee will closely monitor the level of audit and non-audit services they provide to the Company.

Audit Committee Report (continued)

Meetings

In the year to 31 December 2019 the Audit Committee has met on 2 occasions.

The key work undertaken by the Audit Committee is as follows:

- interview of external auditors and recommendation to the Board
- review of audit planning and update on relevant accounting developments;
- consideration and approval of the risk management framework, appropriateness of key performance indicators;
- consideration and review of full-year results;
- review of the effectiveness of the Audit Committee;
- review of internal controls; and
- consider whether an internal audit function is required and confirmed not considered necessary given the present size of the Company

The Code states that the Audit Committee should have primary responsibility for making a recommendation on the appointment, reappointment or removal of the external auditor.

External auditor

The Company's external auditor is PKF Littlejohn LLP. The external auditor has unrestricted access to the Audit Committee Chairman. The Committee is satisfied that PKF Littlejohn LLP has adequate policies and safeguards in place to ensure that auditor objectivity and independence are maintained. The external auditors report to the Audit Committee annually on their independence from the Company. In accordance with professional standards, the partner responsible for the audit is changed every five years. The current auditor, PKF Littlejohn LLP was first appointed by the Company in 2018 following a tender process, and therefore the current partner is due to rotate off the engagement after completing the audit for the year ended 31 December 2022. Having assessed the performance objectivity and independence of the auditors, the Committee will be recommending the reappointment of PKF Littlejohn LLP as auditors to the Company at the 2020 Annual General Meeting

……………………......
Anthony Harpur
Chairman of the Audit Committee
10 March 2020

Nomination Committee Report

The Nomination committee is comprised of the Chairman Andrew Morrison and Non-Executive Director Anthony Harpur.

The committee considers potential candidates for appointment to the Company's Board who maintain the highest standards of corporate governance and have sufficient time to commit to the role.

Nomination committee evaluation
The nomination committee evaluates the composition, skills, and diversity of the Board and its committees and identifies a requirement for a Board appointment.

Identify suitable candidates
The nomination committee undertakes a review of each candidate and their experience in accordance with the Company's 'director's profile' and suitable candidates are identified.

For the appointment of a Chairman, the Nomination Committee will prepare a job specification, including an assessment of the time commitment expected, recognising the need for availability in the event of crises.

Nomination committee recommendation
Following interviews with a candidate conducted by the Chairman, and other members of the Board, the nomination committee makes a recommendation on a preferred candidate to the Board.

Due diligence
After a candidate has been recommended to the Board by the nomination committee, the company secretary undertakes appropriate background checks on a candidate. The Board of directors meets any candidate recommended by the nomination committee and the candidate is given an opportunity to make a presentation to the Board prior to deciding on their appointment.

Board appointment
The Board formally approves a candidate's appointment to the Board.

Approach to Diversity
The nomination committee believes in the benefits of diversity, including the need for diversity in order to effectively represent shareholders' interests. This diversity is not restricted to gender but also includes geographic location, nationality, skills, age, educational and professional background. The Board's policy remains that selection should be based on the best person for the role.

On behalf of the nomination committee

…………………………..
Andrew Morrison
Chairman

10 March 2020

Independent Auditors' Report to the Members of Spinnaker Opportunities Plc

Opinion

We have audited the financial statements of Spinnaker Opportunities plc (the 'Company') for the year ended 31 December 2019 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to principal risks, going concern and viability statements

We have nothing to report in respect of the following information in the annual report, in relation to which the ISAs (UK) require us to report to you whether we have anything material to add or draw attention to:

- the disclosures in the annual report [set out on pages 13-14] that describe the principal risks and explain how they are being managed or mitigated;
- the directors' confirmation [set out on page 13-14] in the annual report that they 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;
- whether the directors' statements relating to going concern and their assessment of the prospects of the group required under the Listing Rules in accordance with Listing Rule 9.8.6R(3) are materially inconsistent with our knowledge obtained in the audit; or
- the directors explanation [set out on page 9] in the annual report as to how they have assessed the prospects of the Company, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Independent Auditors' Report for the Members of Spinnaker Opportunities Plc (continued)

Our application of materiality

The scope of our audit was influenced by our application of materiality. The quantitative and qualitative thresholds for materiality determine the scope of our audit and the nature, timing and extent of our audit procedures. Materiality was set at £33,000 based on 5% of net assets, given that the Company are not yet revenue generating and have limited trading activity. Unlike in the previous year, a two separate materialities for the Statement of Financial Position and

the Income Statement were not set due to the Company's assets as at 31 December 2019 not being significantly higher than the total expenses in 2019, as was the case in 2018. In the previous year, materiality for the Statement of Financial Position was set at £50,000 based on 5% of net assets. Materiality for the Income Statement was set at £15,000 based on 10% of loss before tax.

An overview of the scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at areas involving significant accounting estimates and judgement by the Directors and considered future events that are inherently uncertain, such as the key audit matter noted below. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Key audit matters

We have determined that there are no key audit matters to communicate in our report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

In this context, we also have nothing to report in regard to our responsibility to specifically address the following items in the other information and to report as uncorrected material misstatements of the other information where we conclude that those items meet the following conditions:

Independent Auditors' Report for the Members of Spinnaker Opportunities Plc (continued)

- **Fair, balanced and understandable** [set out on pages 11 to 12] – the statement given by the directors that they consider the annual report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the group's performance, business model and strategy, is materially inconsistent with our knowledge obtained in the audit; or

- **Audit committee reporting** [set out on pages 27 to 28] – the section describing the work of the audit committee does not appropriately address matters communicated by us to the audit committee; or

- **Directors' statement of compliance with the UK Corporate Governance Code** [set out on pages 16 to 17] the parts of the directors' statement required under the Listing Rules relating to the company's compliance with the UK Corporate Governance Code containing provisions specified for review by the auditor in accordance with Listing Rule 9.8.10R(2) do not properly disclose a departure from a relevant provision of the UK Corporate Governance Code

Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.
- the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements and the part of the directors' remuneration report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Independent Auditors' Report for the Members of Spinnaker Opportunities Plc (continued)

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: *www.frc.org.uk/auditorsresponsibilities*. This description forms part of our auditor's report.

Other matters which we are required to address

We were appointed by the Audit Committee on 26 June 2019 to audit the financial statements for the period ending 31 December 2019. Our total uninterrupted period of engagement is two years, covering the periods ending 31 December 2018 to 31 December 2019.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the company and we remain independent of the company in conducting our audit.

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the Directors. We considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statements items.

We communicated laws and regulations throughout our audit team and remained alert to any indications of non-compliance throughout the audit.

As with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

Our audit opinion is consistent with the additional report to the audit committee.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Joseph Archer (Senior Statutory Auditor)

For and on behalf of
PKF Littlejohn LLP

Statutory Auditor

15 Westferry Circus
Canary Wharf
London
E14 4HD

10 March 2020

Statement of Comprehensive Income

	Note	Year ended 31 December 2019 £'000	Year ended 31 December 2018 £'000
Continuing operations			
Operating expenses	3	(365)	(161)
Operating loss		**(365)**	**(161)**
Interest income		2	2
Loss before taxation		(363)	(159)
Taxation	5	-	-
Loss for the year		**(363)**	**(159)**
Other comprehensive income for the year		-	-
Total comprehensive income for the year attributable to the equity owners		**(363)**	**(159)**
Earnings per share from continuing operations attributable to the equity owners			
Basic and diluted earnings per share (pence per share)	6	**(1.2p)**	**(0.5p)**

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

Statement of Financial Position

	Note	As at 31 December 2019 £'000	As at 31 December 2018 £'000
Assets			
Non-current assets			
Other receivables	7	100	-
Total non-current assets		**100**	**-**
Current assets			
Trade and other receivables	8	13	13
Cash and cash equivalents	9	597	1,041
Total current assets		**610**	**1,054**
Total assets		**710**	**1,054**
Equity and liabilities			
Equity attributable to shareholders			
Share capital	10	735	735
Share premium	10	592	592
Share based payments reserve		59	59
Retained deficit		(712)	(349)
Total equity		**674**	**1,037**
Liabilities			
Current liabilities			
Trade and other payables	11	36	17
Total liabilities		**36**	**17**
Total equity and liabilities		**710**	**1,054**

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

This report was approved by the board and authorised for issue on 10 March 2020 and signed on its behalf by:

………………………
Andrew Morrison
Director
Company Registration Number: 10485105

Statement of Changes in Equity

	Share capital £'000	Share premium £'000	Share based payments reserve £'000	Retained deficit £'000	Total equity £'000
On 1 January 2018	650	510	58	(190)	1,028
Total comprehensive loss for the period	-	-	-	(159)	(159)
Shares issued	85	85	-	-	170
Share issue costs	-	(3)	1	-	(2)
Total transactions with owners, recognised directly in equity	85	82	1	-	168
Balance as at 31 December 2018	**735**	**592**	**59**	**(349)**	**1,037**
Total comprehensive loss for the year	-	-	-	(363)	(363)
Balance as at 31 December 2019	**735**	**592**	**59**	**(712)**	**674**

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.

Share based payments represents the value of equity settled share-based payments provided to employees, including key management personnel, and third parties for services provided.

Retained deficit represents 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 2019 £'000	Year ended 31 December 2018 £'000
Cash flow from operating activities			
Loss before taxation		(363)	(159)
Adjustments for:			
Interest received		(2)	(2)
Net cash used in operating activities		**(365)**	**(161)**
Changes in working capital			
(Increase) in trade and other receivables		-	(9)
Increase/(decrease) in trade and other payables		19	(41)
Net cash (used) in/generated from operating activities		**19**	**(50)**
Cash flows from investing activities			
Loan advanced	7	(100)	-
Net cash used in financing activities		**(100)**	**-**
Cash flows from financing activities			
Issue of shares		-	170
Share issue costs		-	(2)
Net cash generated from financing activities		**-**	**168**
Cash flows from investing activities			
Interest received		2	2
Net cash generated from investing activities		**2**	**2**
Decrease in cash and cash equivalents		**(444)**	**(41)**
Cash and cash equivalents at beginning of period		**1,041**	**1,082**
Cash and cash equivalents at end of period	9	**597**	**1,041**

A net debt reconciliation has not been included as the Company had no debt during the year.

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 to seek an acquisition in the energy and industrial sectors, with a focus since September 2018 on the cannabis processing industry. A suitable acquisition target was identified and on 27th February 2019 the Company was suspended from trading pending completion of the acquisition.

The Company is incorporated and domiciled in England and Wales as a public limited company and operates from its registered office at 59-60 Russell Square, London WC1B 4HP, and is listed on the London Stock Exchange on the standard segment.

2. Summary of Significant Accounting Policies

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

a) Basis of Preparation

The financial statements of Spinnaker Opportunities 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.

b) New Standards and Interpretations

i) New and amended standards adopted by the Company

Standard	Impact on initial application	Effective date
IFRS 16	Leases	1 January 2019
IFRIC Interpretation 23	Uncertainty over Income Tax Treatments	1 January 2019
IFRS 9 (Amendments)	Prepayment Features with Negative Compensation	1 January 2019
IAS 28 (Amendments)	Long-term Interests in Associates and Joint Ventures	1 January 2019
Annual improvements	2015-2017 Cycle	1 January 2019
IAS 19 (Amendments)	Plan Amendment, Curtailment or Settlement.	1 January 2019

No new standards, amendments or interpretations, effective for the first time for the financial year beginning on or after 1 January 2019 have had a material impact on the Company.

Notes to the Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

b) New Standards and Interpretations (continued)

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 and (in some cases) have not yet been endorsed by the EU, up to the date of issuance of the financial statements are listed below. The Company intends to adopt these standards, if applicable, when they become effective.

Standard	Impact on initial application	Effective date
IFRS 3 (amendments)	Definition of a Business	1 January 2020
IFRS standards (amendments)	References to the Conceptual Framework	1 January 2020
IAS 1 (amendments)	Definition of Material	1 January 2020
IAS 8 (amendments)	Definition of Material	1 January 2020
IFRS 9, IAS 39 and IFRS 7 (amendments)	Interest Rate Benchmark Reform	1 January 2020
IFRS 17	Insurance Contracts	1 January 2021

The Directors are 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 financial statements of the Company.

c) Going Concern

The preparation of the 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.

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 consider sufficient funds will be available to ensure the Company continues to meet its obligations they fall due for a period of at least one year from the 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.

Notes to the Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

d) Foreign Currency Translation

i) Functional and Presentation Currency

The financial statements are presented in Pounds Sterling (£), which is the Company's functional and presentation currency.

ii) Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

e) 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 Directors consider the significant accounting judgements, estimates and assumptions used within the financial statements to be:

Recoverability of loan

During the year ended 31 December 2019 the Company advanced £100,000 to Kanabo Research Limited in accordance with the signed loan agreement with the borrower. The amount expected to be recovered in respect of this loan is an accounting estimate that the Directors have made based on the forecasts, other financial information available and developments since the year-end.

The Directors have estimated that the full loan balance repayable will be recovered within the repayment period. This assessment was based on the assessed strong likelihood of the proposed reverse takeover taking place in 2020, the anticipated funds that would be raised subsequent to this transaction and the forecasted subsequent cashflows of the newly formed group.

Notes to the Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

f) Financial Assets

(a) Classification

The Company classifies its financial assets in the following categories: at amortised cost (including trade receivables and other financial assets at amortised cost) fair value through other comprehensive income or fair value through profit or loss. The classification depends on the financial asset's contractual cash flow characteristics and the business model for managing them. Management determines the classification of its financial assets at initial recognition.

Financial assets at amortised cost

(i) Classification of financial assets at amortised cost

The Company classifies its financial assets as at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows; and
- the contractual terms give rise to cash flows that are solely payments of principal and interest

Financial assets at amortised cost are initially measured at fair value and subsequently measured using the effective interest rate method less impairment.

(ii) Impairment and risk exposure

All of the financial assets at amortised cost are denominated in Pounds Sterling. As a result, there is no exposure to foreign currency risk. There is also no exposure to price risk.

It is the Directors' opinion that any calculation of an expected credit loss charge in respect of financial assets at amortised cost would be immaterial at present and that there are no historical performance indicators to review. The Directors deem it not to be practical to incorporate future macroeconomic factors into the expected credit loss model calculation without incurring undue cost.

There is no definition of default at present. This will be reassessed as and when repayments are due in respect of financial assets at amortised cost held. The loan receivable held as at the year-end has a repayment term of two years and as such there will be no possibility of default until November 2021.

Notes to the Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

g) Financial Liabilities

Trade and other Payables

Trade and other 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 (or in the normal operating cycle of the business if longer. 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.

h) 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.

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.

Notes to the Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

i) 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 and is the same as that set out in the statement of comprehensive income, statement of financial position.

j) Share-based payments

The Company has applied the requirements of IFRS 2 Share-based payments.

The Company issues equity settled share based payments to the directors and to third parties for the provision of services provided for assistance in raising private equity. Equity settled share based payments are measured at fair value at the date of grant, or the date of the service provided. The fair value determined at the grant date or service date of the equity settled share based payment is recognised as an expense, or recognised against share premium where the service received relates assistance in raising equity, with a corresponding credit to the share base payment reserve. The fair value determined at the grant date of equity settled share based payment is expensed on a straight line basis over the life of the vesting period, based on the company's estimate of shares that will eventually vest. Once an option vests, no further adjustment is made to the aggregate expensed.

The fair value is measured by use of the Black Scholes model as the Directors view this as providing the most reliable measure of valuation. The expected life used in the model has been adjusted, based on management's best estimates, for the effects of non-transferability, exercise restrictions and behavioural considerations. The market price used in the model of issue price of Company shares at the last placement of shares immediately preceding the calculation date. The fair value calculated is inherently subjective and uncertain due to the assumptions made and the limitation of the calculation used.

k) 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 market risk, interest rate risk, foreign exchange risk, credit risk, liquidity risk and capital risk management. Further details on the risk disclosures can be found in Note 14.

l) Equity

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

Notes to the Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

m) 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 2019 £'000	Year ended 31 December 2018 £'000
Directors' share-based payment	-	-
Audit fees	15	14
Professional and consultancy fees	345	142
Other expenses	5	5
Operating expenses	365	161

4. Auditors' remuneration

	Year ended 31 December 2019 £'000	Year ended 31 December 2018 £'000
Fees payable to the Company's current auditor for the audit of the Company's financial statements	15	14

Notes to the Financial Statements (continued)

5. Income tax

Analysis of charge in the year

	Year ended 31 December 2019 £'000	Year ended 31 December 2018 £'000
Current tax	-	-
Deferred tax	-	-
Total tax	-	-
Loss on ordinary activities before tax	(363)	(159)
Analysis of charge in the year/period		
Loss on ordinary activities multiplied by rate of corporation tax in the UK of 19% (2018: 19%)	(69)	(30)
Non-deductible expenses	-	-
Tax losses carried forward	69	30
Total tax	-	-

The company has accumulated tax losses of approximately £633,000 (2018: £270,000) that are available, under current legislation, to be carried forward indefinitely against future profits.

A deferred tax asset has not been recognised in respect of these losses due to the uncertainty of future profits. The amount of the deferred tax asset not recognised is approximately £120,000 (2018: £46,000).

Notes to the Financial Statements (continued)

6. Earnings per share

The calculation of the basic and diluted earnings per share is calculated by dividing the loss for the year/period from continuing operations of £363,000 (2018: £159,000) for the Company by the weighted average number of ordinary shares in issue during the year of 29,400,120 (2018: 29,381,490):

	2019	2018
	£	£
Loss for the year/period from continuing operations	**(363,000)**	(159,000)
Weighted average number of shares in issue	**29,400,120**	29,381,490
Basic and diluted earnings per share	**(1.2p)**	(0.5p)

There is no difference between the basic and diluted earnings per share as the effect would be to decrease earnings per share.

As at the end of the financial period there were 29,030,500 share warrants and options in issue, which had an anti-dilutive effect on the weighted average number of shares.

7. Other receivables

	As at 31 December 2019 £'000	**As at 31 December 2018 £'000**
Other loans	100	-
	100	**-**

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

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

Notes to the Financial Statements (continued)

8. Trade and other receivables

	As at 31 December 2019 £'000	As at 31 December 2018 £'000
Prepayments	13	13
	13	**13**

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.

9. Cash and cash equivalents

	As at 31 December 2019 £'000	As at 31 December 2018 £'000
Cash at bank	597	1,041
	597	**1,041**

The Directors consider the carrying amount of cash and cash equivalents approximates to their fair value.

10. Called up share capital

As at 31 December 2019 the Company had 29,400,120 allotted and fully paid ordinary shares.

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 Ordinary Shares of £0.025 each	Share Capital £	Share Premium £
As at 31 December 2018 & 31 December 2019	29,400,120	735,003	591,852

Notes to the Financial Statements (continued)

11. Trade and other payables

	As at 31 December 2019 £'000	As at 31 December 2018 £'000
Trade payables	13	2
Accruals	23	15
	36	**17**

12. Share based payments

Warrants	**Number of awards**	**Weighted average exercise price**
As at 31 December 2018 & 31 December 2019	26,590,500	£0.074
Exercisable at 31 December 2019	26,590,500	£0.074

The warrants outstanding at 31 December 2019 have a weighted average remaining contractual life of 0.3 years.

At 31 December 2019, the Company had the following warrants in issue:

	Warrants	**Broker Warrants**	**Warrants**	**Broker Warrants**
Date of grant	17-May-17	17-May-17	3-Jan-18	3-Jan-18
Number granted	24,000,000	790,500	1,700,000	100,000
Contractual life	3 years	3 years	2.5 years	2.5 years
Exercise price	£0.075	£0.05	£0.075	£0.05
Estimated fair value	Nil	£0.017	Nil	£0.017

The Warrants were granted to the subscribers and placees as part of the share subscription and placing. These warrants fall outside the scope of IFRS 2 .

Notes to the Financial Statements (continued)

12. Share based payments (continued)

Share options	**Number**	**Weighted average exercise price**
Exercisable at 31 December 2018 & 31 December 2019	2,440,000	£0.05

The options outstanding at 31 December 2019 have a weighted average remaining contractual life of 0.3 years.

The fair value of the options issued during the period was determined using the Black-Scholes valuation model and a share based payment charge of £Nil (2018: £Nil) has been recognised in the income statement.

13. Directors' emoluments

No salaries or fees were paid to the directors, In either period.

The Directors are considered to be the key management personnel.

14. Financial instruments

The following table sets out the categories of financial instruments held by the Company as at 31 December 2019 and 31 December 2018:

	2019	2018
	£'000	£'000
Financial Assets held at amortised cost		
Other loans	**100**	-
Cash and cash equivalents	**597**	1,041
Financial liabilities held at amortised cost		
Financial liabilities measured at amortised cost - Trade and other payables	**13**	2

a) Market risk

The Company is not materially exposed to market risk as it has yet to commence trading. Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Notes to the Financial Statements (continued)

14. Financial instruments (continued)

b) Interest rate risk

The Company is not materially exposed to interest rate risk because it does not have any funds at either fixed or floating interest rates.

c) Foreign currency risk

The Company is not currently materially exposed to foreign currency risk.

d) Credit risk

The Company's maximum exposure to credit risk in relation to each class of recognised asset is the carrying amount of those assets as indicated in the balance sheet. At the reporting date, there was no significant concentration of credit risk. Receivables at the year-end were not past due, and the Directors consider there to be no significant credit risk arising from these receivables.

e) Liquidity risk

Cash flow working capital forecasting is performed for regular reporting to the directors. The directors monitor these reports and forecasts to ensure the Company has sufficient cash to meet its operational needs.

f) Capital risk management

The Company defines capital based on the total equity of the Company. The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

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, in the future.

15. Average number of people employed

Average number of people employed, including Directors:

	2019 Number	2018 Number
Office and management	3	4

Notes to the Financial Statements (continued)

16. Contingent liability

Post year end, the Company entered into a Heads of Terms agreement for the acquisition of Kanabo Research Limited. Upon successful completion of this transaction, there will be a bonus payable to the current Directors, which has been capped at £200,000.

17. Ultimate Controlling Party

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

18. Post balance sheet events

A further £100,000 loan has been extended to Kanabo since 31st December 2019. This was anticipated in the Facility Agreement.

19. Copies of the Annual Report

Copies of the annual report are available on the Company's website at http://www.spinnakeropportunities.uk/ and from the Company's registered office, 59-60 Russell Square, London WC1B 4HP.