RNS Number : 8238A
Eight Capital Partners PLC
31 May 2019

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Eight Capital Partners plc

("Eight Capital" or the "Company")

Final Results

Eight Capital announces its final results for the year to 31 December 2018. An extract of the Company's audited report and accounts can be found below. A full copy of the final result, which should be read in full, will shortly be available from the Company's website and will be sent to all shareholders.

The Directors of the Company accept responsibility for the content of this announcement. This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014.

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Financial PR

Abigail Stuart-Menteth

Chairman's Statement

Dear Shareholder

I am pleased to report on the Company's results for the year to 31 December 2018 and the progress to date in implementing its strategy.

Eight Capital Partners Plc (the "Company", "Eight Capital" or "ECP") is a NEX quoted investment company. Its objective is to generate an attractive rate of return for shareholders, predominantly through capital appreciation, by taking advantage of opportunities, principally by investing in the technology, media and telecom, or financial services sectors.

As previously reported, there were a substantial number of changes for the Company during 2018, following the sale of Cogenpower, the historic operating business, at the end of 2017: two company name changes, board adjustments, updates to the Company strategy, moving from the London AIM exchange to the NEX exchange, and a series of investment acquisitions. Our objective is that these changes will move the Company in a positive direction towards growth and creation of shareholder value.

Operations

I was appointed Chairman in July 2018. The shareholders approved an update to the investment strategy and name change to reflect the Company's 'Investment Company' status. A full description of the corporate activity can be found on the Company's website.

Investments

Financial Partners Group SpA

In September 2018, Eight Capital made its first investment in the European financial services sector. The Company invested in Finance Partners Group S.p.A. ("FPG"), through the acquisition of £101,557 of listed 8% yielding FPG corporate bonds, expiring in 2020. The investment generates a strong income return on capital invested and is part of a growing strategic relationship with FPG that has good access to both new capital and investment opportunities in Europe.

Abal Group Plc (formerly Imaginatik Plc)

In October 2018, Eight Capital invested £250,000 in Abal Group plc (formerly known as Imaginatik plc), a software as a service (SAAS) business, and a leading player in the corporate innovation solutions software sector in the UK and US. The tech company's client list includes ExxonMobil, Altria, TD Bank, Sodexo, Caterpillar, and Cargill. Abal is listed on AIM London.

Eight Capital invested through a mix of equity and convertible debt with warrants attached. The market capitalisation of the company at investment was approximately £540,000. Since Eight Capital became the cornerstone investor, Abal has raised capital, cut costs and repositioned itself for the sale of its assets. In January 2019 Eight Capital's board representative oversaw the sale of Imaginatik's assets to a Canadian buyer from the same sector, for a consideration of up to $2.5 million ($1.7 million on completion and up to a further potential $800,000 post completion). The company was rebranded Abal Group Plc.

Following the asset sale, Abal (now an AIM quoted Cash Shell) is looking at a selection of new potential acquisitions. Eight Capital and Abal's management are working hard to source and execute a suitable transaction in order to generate a positive return for Abal's shareholders. Eight Capital could then exit the investment in Abal to crystallise its return.

<u>Sport Capital Group Plc (formerly Pelican House Mining Plc)</u>

In December 2018, Eight Capital acquired 22.8% plus warrants over ordinary shares of 'Pelican House Mining plc', an underperforming mining investing company quoted on NEX. Following a management restructuring led by Eight Capital, Pelican House Mining rebranded and repositioned itself as Sport Capital Group ("SCG"). The historic assets of the business are being sold.

Sport Capital Group invests in companies in the global sports and leisure sectors without geographical restriction. The company intends to invest initially in a portfolio of football clubs in the UK and Europe. Clubs will be acquired when they are under-performing in lower leagues. SCG will bring capital, structuring, business and high level on-and-off-pitch football expertise to bear on the clubs aiming to achieve promotion and consequentially significant value increases. SCG is also interested in developing E-Sports activity associated with sports brands.

When football teams move from a lower to a higher division, revenues increase significantly. For example, in moving from Seria B to Seria A in Italy, TV revenues increase from c. €10m to c.€50m a year. Associated sponsorship, match day and advertising revenues all increase. The club's overall value increases, and the value of the players also increases in the higher division. A club valued at €20m in Serie B could increase in value to €300m in Seria A if it remains there for 3 to 5 years. The value increase potential is significant.

Following a first attempt to acquire and turn-around an Italian football club that could not be completed, SCG is evaluating its options and next investment opportunities. Management expect to transact in the coming two quarters. Subject to the quality of the investment made and returns generated for SCG's shareholders, Eight Capital would decide upon its exit timing with a focus on delivering the best investment return for its shareholders.

Investment acquisitions post year end

<u>Investment in Epsion Capital Ltd</u>

In March 2019, Eight Capital announced it had subscribed for 70% of the equity of Epsion Capital Limited ("Epsion"), a new regulated boutique financial advisory and investment firm based in London. ECP believes that there are significant opportunities to create synergies with Epsion by:

- providing advisory services to its investee companies: and

- combining it with other financial services businesses to promote cross border capital flows into ECP and its investees, and generate a greater pool of higher quality investment opportunities.

Epsion is currently engaged in two corporate finance transactions and has a pipeline of future mandates from which it expects to derive a growing revenue stream.

Results

At the year-end date of 31 December 2018, the loss before taxation was £7,000 (2017 loss: £1,447,000) with a loss per share of 0.001p (2017: loss 1.6p per share). This was mainly as a result of the credit arising on the forfeiture of share options and the fair value gain on the portfolio of investments. The net loss on 2017 attributable to the CVA and disposal of the subsidiary did not impact the 2018 result.

The Company's main assets were a portfolio of listed shares, warrants and a bond totalling £582,000 (2017: £0) and cash balance of £91,000 (2017: £298,000). Its liabilities consist of trade creditors £2,000 (2017: £23,000) and accruals and other creditors of £16,000 (2017: £48,000).

Outlook

Eight Capital is working with its three investee companies Abal Group Plc, Sport Capital Group Plc, and Epsion Capital Ltd to grow their businesses organically or through acquisition. Abal and Sport Capital Group are already listed on London exchanges and have in-built liquidity. We expect to be part of increasing their value and consequently Eight Capital's value in the coming months.

Eight Capital is also considering broadening its portfolio within the strategy. We are analysing a number of potential investments in the fintech, tech, digital entertainment and financial services sectors. These include early and growth stage businesses in the UK and Europe that would complement the existing portfolio.

The Company will consider capital raises in the coming period should the Board feel it prudent to have further funds available to implement its investment strategy.

We are delighted to have made progress with the investment programme over the year and are now working on creating value in the portfolio while designing exit routes such that we can crystallise capital increases as they happen.

Dominic White

Executive Chairman

Statement of Comprehensive Income

For the year ended 31 December 2018

	2018	2017
	£'000	£'000 (Restated)
Administrative expenses	(434)	(236)
Net change in unrealised gains on investments at fair value through profit and loss	148	-
Exceptional items:		
Share based payment reversal/(charge)	276	(147)
Write back of payables further to CVA	-	1,631
Loss on disposal of subsidiary	-	(2,691)
Operating loss	**(10)**	**(1,443)**
Interest income	3	-
Finance expense	-	(4)
Loss before tax	**(7)**	**(1,447)**
Taxation	-	-
Loss for the financial year	**(7)**	**(1,447)**
Other comprehensive income for the year	-	-
Total comprehensive loss	**(7)**	**(1,447)**

Earnings per share (pence) from continuing operations attributable to owners of the		
Company - Basic & Diluted	(0.001)	(1.6)

Statement of Financial Position

For the year ended 31 December 2018

	2018	2017
	£'000	£'000 (Restated)
Current assets		
Trade and other receivables	16	27
Investments	582	-
Cash and cash equivalents	91	298
Total current assets	**689**	**325**
Total assets	**689**	**325**
Current liabilities		
Trade and other payables	18	71
Total current liabilities	**18**	**71**
Provisions	3	-
Total liabilities	**21**	**71**
Net assets	**668**	**254**
Capital and reserves		
Share capital	1,350	708
Share premium	1,891	1,891
Convertible loan note	48	-
Share option and warrant reserve	8	276
Retained earnings	(2,629)	(2,621)
Total equity	**668**	**254**

Statement of Changes in Equity

For the year ended 31 December 2018

	Share capital	Share premium	Share option & warrant reserve	Equity reserve	Retained Earnings	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Equity as at 31 December 2016	**158**	**1,891**	**129**	**-**	**(1,175)**	**1,003**
Change in accounting framework	-	-	-	-	-	-
Equity as at 1 January 2017 as restated	**158**	**1,891**	**129**	**-**	**(1,175)**	**1,003**
Total comprehensive loss for the year	-	-	-	-	(1,447)	(1,447)
Share based payment charge	-	-	147	-	-	147
Issue of shares	550	-	-	-	-	550
Equity as at 31 December 2017	**708**	**1,891**	**276**	**-**	**(2,622)**	**254**
Total comprehensive loss for the year	-	-	-	-	(7)	(7)
Share based payment reversal	-	-	(276)	-	-	(276)
Warrant charge	-	-	8	-	-	8
Issue of shares	642	-	-	-	-	675
Issue of convertible bonds	-	-	-	48	-	50
Total Transactions with owners	**642**	**-**	**(268)**	**48**	**-**	**422**
Equity as at 31 December 2018	**1,350**	**1,891**	**8**	**48**	**(2,629)**	**668**

Statement of Cash Flows

For the year ended 31 December 2018

	2018	2017
	£'000	£'000
		(Restated)
Cash from operating activities		
Loss before tax	(7)	(1,447)
Adjustments for:		
Net interest (income) / expense	(3)	4
Net change in unrealised gains on investments at fair value through profit and loss	(148)	-
Share based payment reversal	(276)	147
Warrant charge for the year	8	-
Write-back of net liabilities under CVA	-	(1,737)
Loss on disposal of subsidiary	-	2,691
Foreign exchange	(34)	-
Decrease in trade and other receivables	11	1
Increase/(decrease) in trade and other payables	(50)	77
Net cash used in operating activities	**(499)**	**(264)**
Cash flow from investing activities		
Purchase of investments	(434)	-
Interest income	3	-
Net cash used in investing activities	**(431)**	**-**
Cash flows from financing activities		
Interest expense	-	(4)
Proceeds from issue of convertible bond	48	-
Proceeds from issue of shares (net of issue costs)	675	557
Net cash from financing activities	**723**	**553**
Net cash flow for the year	**(207)**	**289**
Cash and cash equivalents at beginning of year	298	9
Cash and cash equivalents at end of year	**91**	**298**
Net change in cash and cash equivalents	**(207)**	**289**

Notes to the financial statements

1. General Information

Eight Capital Partners Plc (formerly Monreal Plc) is a public limited company limited by shares and incorporated in England. Its registered office is Kemp House, 160 City Road, London, EC1V 2NX.

The Company's shares were admitted to trading on AIM on 10 February 2016. The ordinary shares were cancelled from trading on AIM on 3 July 2018 and, on the same date, the shares were admitted to trading on the NEX Exchange Growth Market, under ticker ECP and ISIN number GB00BYT56612.

The Company's objective is to generate an attractive rate of return for shareholders, predominantly through capital appreciation, by taking advantage of opportunities to invest in the technology, media, and telecoms (TMT) sector.

2. Basis of Preparation

The individual financial statements of Eight Capital Partners plc have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

In 2017, the financial statements were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU. The adoption of FRS 102 as noted in Note 6 has not had a material impact on the financial statements or disclosures.

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the recognition of certain assets and liabilities at fair value.

The financial statements are presented in Pounds Sterling, which is the Company's presentation and functional currency. The presentation and functional currency for the previous consolidated financial statements was Euros as discussed in Note 6. The comparatives have therefore been re-presented in Pounds Sterling for the purposes of consistency.

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment and complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3 to the financial statements.

3. Critical judgements in applying the entity's accounting policies

a. Carrying value of investments

The Company is required to make judgments over the carrying value of investments in unquoted companies where fair values cannot be readily established and evaluate the size of any impairment required.

It is important to recognise that the carrying value of such investments cannot always be substantiated by comparison with independent markets and, in many cases, may not be capable of being realised immediately. Management's significant judgement in this regard is that the value of their investment represents their cost less previous impairment.

b. Disposal of Cogenpower s.r.l.

For the purposes of calculating the loss on disposal of Cogenpower s.r.l. in 2017, the investment on the Company's balance sheet was impaired to zero, as the consideration for the disposal was also zero (following an independent valuation). In terms of compensating items: a) the reserve created when the Company acquired Cogenpower s.r.l. was offset against that impairment loss; and b) as a result of the CVA, the large intercompany payable by the Company to Cogenpower s.r.l., net of a receivable for management charges, was eliminated. The resulting gain from the CVA, in respect of the intercompany balance, was also set off against the impairment.

4. Satisfaction of Company Voluntary Arrangement

On 24 October 2017, the shareholders of the Company approved a Company Voluntary Arrangement (CVA) whereby the Company's creditors received £0.01087 for every £1 of debt. The CVA was conditional on the resumption of trading of the Company's securities on AIM.

On conclusion of the CVA, the Company's unsecured and preferential creditors of £1,625,427 were paid a total of £17,664 on 24 January 2018, as follows:

	Liabilities and expenses
	£'000
Cogenpower s.r.l	1,064
Third party creditors	339

Directors	222
Foreign exchange	6
Liabilities and expenses written off	1,631
CVA expenses	20

The release of these liabilities, net of amounts paid and CVA expenses has been treated as an exceptional item.

Following the CVA, shareholders retained their existing ordinary shares in the Company and the CVA did not result in any distribution being made to shareholders of the Company in their capacity as shareholders.

As shown in the table above, the Directors, under the terms of their service contracts and other arrangements were owed in aggregate £222,022. Under the terms of the CVA the Directors were entitled to make a claim for these contractual amounts owing to them and received a dividend pari passu with all other creditors, amounting to £2,413 in aggregate in final settlement of these amounts.

5. Loss on disposal of subsidiary

On 14 November 2017, the Company entered into a conditional sale and purchase agreement ("SPA") with Re Sipar s.r.l ("RSS"), an Italian company wholly-owned by Francesco Vallone.

Pursuant to the SPA, RSS agreed to acquire Cogenpower s.r.l (and consequently its controlled subsidiaries of Cogenpower Energia s.r.l and Cogenpower Gas & Power s.r.l) and as a result to assume all its assets and liabilities.

The purchaser, RSS, is wholly-owned by Francesco Vallone, who was a director of the Company and a substantial shareholder as he held 14%. of the issued share capital of Cogenpower Plc (now Eight Capital Partners plc) when the disposal was put to shareholders for their approval. Accordingly, the Disposal was a related party transaction for the purposes of AIM Rule 13 and Francesco Vallone took no part in any board assessment of the disposal to RSS by the Independent Directors. On Completion, Francesco Vallone resigned as a director of the Company.

The disposal was approved by shareholders on 1 December 2017 and completed on 4 December 2017 by notarial act in Turin, Italy.

As at 30 November 2017, after taking into account the reduction in amounts receivable from the Company pursuant to the CVA, Cogenpower s.r.l and its subsidiaries had net audited liabilities of €4.1 million, including trade creditors of €4.1 million, tax creditors of €4.9 million and total debt owed to third party banks of €5.2 million, with net current liabilities of €7.4 million. Total assets at the same date amounted to €11.1 million. The consideration was a nominal cash payment of £1.

On completion of the SPA, the Company also entered into a deed of termination with Cogenpower s.r.l to terminate the Management Services Agreement dated 9 June 2015, pursuant to which the Company provided certain support and administrative services to Cogenpower s.r.l and Cogenpower s.r.l recharged to the Company all costs it had incurred relating to the admission to AIM of the shares in the Company in February 2016.

The loss from the disposal of the Company's subsidiaries is attributable entirely to the owners of the Company. It represents the difference between the amount shown as investment in subsidiary and the disposal consideration.

6. Change in accounting policy

Following the disposal of the subsidiary in Note 5, and the move from the AIM to NEX exchange, the Directors have enacted the changes below:

Change in presentational currency

The Company changed its presentation currency from Euros (EUR) to Pound Sterling (GBP) with effect from 1 January 2018. The change was made to reflect that the principal activities of the Company are now carried out in the United Kingdom. The comparative figures have been restated to GBP.

Change in accounting framework

In 2017, the financial statements were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU. The Directors have agreed to prepare the financial statements under FRS 102, effective from 1 January 2018, transition date. There is no material impact to the financial statements due to the change in accounting framework.

7. Earnings per share

	2018	2017
Earnings (£'000)		
Loss used in calculating basic and diluted earnings:		
Continuing operations	(£7,000)	(£1,447,000)
Number of shares		
Weighted average number of shares for the purposes of basic and diluted earnings per share	522,413,335	90,550,322
Earnings per share (pence)	(0.001)	(1.6)

The basic and diluted earnings per share for 2018 and 2017 were determined by dividing the loss attributable to the equity holders of the Company by the weighted average number of shares outstanding during the periods. Dilutive instruments are ignored when the overall result is a loss.

8. Investments

Abal Group plc:

The Investment in Abal Group plc (AIM: ABAL) comprises: i) 14,545,455 new ordinary shares of 0.002p representing approximately 15.7 per cent of the company's share capital; and (ii)£90,000 of Convertible Loan Notes ("CLNs") issued by the company. The CLNs have a term of 3 years and an annual coupon of 7.5 per cent., payable quarterly in arrears**.**

Sport Capital Group plc:

Sport Capital Group plc (NEX: PZ) is an investment vehicle focused on sports and leisure sectors, including associated intellectual property and media, and infrastructure, such as real estate. The investment comprises 16,500,000 ordinary shares of £0.01 each, representing 15.3% per cent of Sport Capital Group's issued share capital. In addition, Eight Capital was issued with warrants over 13,333,333 shares. The Warrants are valid for three years from the date of issue and exercisable at a price of 0.45 pence.

John Treacy is Non-Executive Director of the Company and also a Non-executive director of Sport Capital Group plc.

Finance Partners Group S.p.A.:

The investment in Finance Partners Group S.p.A. ("FP Group"), a regulated Italian financial services company, comprises €111,100 of listed 8% yielding FP Group corporate bonds, expiring in 2020.

FP Group's regulated fund manager has permissions to operate a range of funds including real estate funds, hedge funds and other alternative investment funds. FP Group has granted a pledge over 20% of the shares of its advisory arm, Financial Innovations Team SPA, as additional security for the corporate bonds.

Value Added Fund, a significant shareholder in Eight Capital, is a sub-fund of Cosmos SICAV Plc ("Cosmos"). Cosmos is an umbrella collective investment scheme that administers a number of sub-funds, each with its own investors, board and management. Open Capital Fund, also a sub-fund of Cosmos, historically owned warrants in FP Group with a right to buy 150,000 shares in that company; these warrants were sold in March 2018.

9. Post balance sheet events

Issue of Convertible Bonds

On 25 January 2019, the Company issued a further £50,000 tranche of nominal of Convertible Bonds to Cosmos SICAV plc Value Added Fund. The net proceeds of £47,500 from the issue of the Bonds will be used by the Company for general working capital purposes.

Appointment of director

On 29 January 2019, Martin Groak was appointed as an Independent Non-Executive Director of the Company. Mr Groak was previously on the board of the Company when it was called Cogenpower Plc and, later, Monreal Plc and subsequently worked as a consultant to the Company.

Investment in Epsion Capital Limited

On 8 March 2019, the Company subscribed for new ordinary shares in Epsion Capital Limited ("Epsion"), a boutique financial advisory and investment firm based in London, equating to 70 per cent. of the share capital of Epsion. The consideration for the new shares was £3,500.

John Treacy, a Non-Executive Director of Eight Capital, is also the sole director and shareholder of Epsion, therefore, the investment in Epsion constitutes a related-party transaction pursuant to the NEX Exchange Growth Market Rules for Issuers.

Conversion of Abal Group loan notes

In January 2019, the Company converted the £90,000 of convertible loan notes in Abal Group plc into 8,311,270 ordinary shares in the company, bringing the Company's interest to approximately 22.6 per cent. of the company's issued share capital.

On 10 January 2018 the Company sold 600,000 shares in Abal Group for a consideration of £8,000. Following the sale, the Company's interest in Abal Group is now approximately 22 per cent. of the company's issued share capital.

10. Annual General Meeting (AGM)

The Directors will inform shareholders of the arrangements for the AGM in a separate RNS

The information contained in this announcement has been extracted from the audited Directors' Report and Financial Statements for the year ended 31 December 2018 (made available on the Company's website), which contain an unqualified audit report.