

RNS Number : 8628Z  
URA Holdings PLC  
26 May 2021

**URA Holdings Plc**  
**("URA" or "the Company")**

**Final Results**

**URA Holdings Plc announces its results for the 18 month period ended 31 December 2020.**

**Chairman's Statement**

Since our last published financial statements, your Company has completed the capital reconstruction needed to enable the Company to move forward. This involved an application to the High Court to sanction a capital reduction to create distributable reserves to enable the Company's holding of shares and warrants in Ananda Developments plc ("Ananda") to be distributed to shareholders in the Company as an in-specie dividend. This process has now taken place (as of 7 May 2021) through the auspices of Ananda's registrars and shareholders in the Company who held shares on the relevant date as stated in the Notice for the Company's Annual General Meeting held on 5 January 2021 ("the AGM") should by now have received their holding of Ananda shares and warrants either directly or via their broker or nominee holder.

For an update on the position of Ananda itself, we would refer shareholders to the website at <https://anandadevelopments.com>.

The annual general meeting held on 5 January 2021 (the "AGM") also sanctioned a sub-division and consolidation of the Company's shares. As a result the par value of the Company's shares is now 0.1p, thereby enabling new funds to be raised at a realistic price. This was part of a larger capital reorganisation details of which can be found in the notice of AGM and in the Directors' Report if which these accounts form part.

Results for the financial period, which was an extended eighteen-month period ended 31 December 2020, showed a significantly reduced loss of £173,000 in part due to the much reduced administrative costs of the Company and in part due to the diminution in the value of the Company's investment in Ananda whose shares currently stand at 0.25p. Net assets of the Company were £171,000 at the period end. It is to be noted that the present accounts have been stated in sterling as opposed to US dollars - the currency in which previous Company accounts have been stated; this change was made to reflect the fact that the Company's business is now conducted in sterling and no longer has exposure to any US\$ denominated assets or liabilities. It should also be noted that a post capital reconstruction balance sheet would show significant differences from those at 31 December 2020 - in particular the substantial deficit on retained earnings as at that date has been eliminated.

In December 2020, the Company raised £55,000 by way of convertible loan notes which were subscribed by the Directors and a small number of sophisticated investors. The purpose of the fundraising was to meet the costs of the capital reconstruction described above and to seek and reach an agreement for an acquisition which would take the Company forward and enable it to obtain a listing on an appropriate market.

The Directors remain hopeful that they have now identified such an acquisition and hope soon to announce agreed terms which will also involve the Company seeking admission to the standard segment of the official list of the FCA and to

trading on the main market for listed securities of the London Stock Exchange plc.

## URA Holdings Plc

### STATEMENT OF COMPREHENSIVE INCOME

as at 31 December 2020

		1 Jul 2019 to 31 Dec 2020 £'000s	(Restated) 30 June 2019 £'000s
	<b>Note</b>		
<b>Continuing operations</b>			
Administrative expenses		(87)	(407)
Change in fair value of investments		(86)	(141)
<b>(Loss)/profit before taxation</b>		<b>(173)</b>	<b>(548)</b>
Taxation	4	-	-
<b>(Loss)/profit for the period from continuing operations</b>	5, 6	<b>(173)</b>	<b>(548)</b>
<b>Other comprehensive income</b>			
Exchange difference on currency translations		-	-
<b>Total comprehensive loss for the period</b>		<b>(173)</b>	<b>(548)</b>

## URA Holdings Plc

### STATEMENT OF FINANCIAL POSITION

as at 31 December 2020

Company number: 05329401

		1 Jul 2019 to 31 Dec 2020 £'000s	(Restated) 30 June 2019 £'000s
<b>ASSETS</b>	<b>Note</b>		
<b>Non-current assets</b>			
Investments	8	173	259
<b>Total Non-current Assets</b>		<b>173</b>	<b>259</b>
<b>Current assets</b>			
Other receivables	7	26	7
Cash and cash equivalents		45	41
<b>Total Current Assets</b>		<b>71</b>	<b>48</b>
<b>Total Assets</b>		<b>244</b>	<b>307</b>

### LIABILITIES

<b>Current liabilities</b>			
Trade and other payables	9	(18)	(8)
<b>Long term liabilities</b>			
Convertible loan notes	10	(55)	-
<b>Total Liabilities</b>		(73)	(8)
<b>Net Assets</b>		171	299
<b>EQUITY</b>			
Share capital	11	1,209	1,209
Share premium		14,673	14,673
Other reserves		1,108	1,063
Retained earnings		(16,819)	(16,646)
<b>Total Equity</b>		171	299

## URA Holdings Plc

### STATEMENT OF CASH FLOWS

as at 31 December 2020

	Note	1 Jul 2019 to 31 Dec 2020 £'000s	(Restated) 30 June 2019 £'000s
<b>Cash flows from operating activities</b>			
Loss for the period		(173)	(548)
Change in fair value investments		86	141
Share based payment		45	178
(Increase)/decrease in receivables		(19)	2
Increase/(decrease) in payables		11	(32)
<b>Net cash used in operating activities</b>		(50)	(259)
<b>Investing activities</b>			
Purchase of investment		-	(400)
<b>Net cash used in investing activities</b>		-	(400)
<b>Financing activities</b>			
Issue of shares for cash, net of costs		-	3
Convertible loan notes		55	-
<b>Net cash from financing activities</b>		55	3
<b>Increase / (Decrease) in cash and cash equivalents</b>		5	(655)
Cash and cash equivalents at beginning of the period		40	695

## NOTES TO THE FINANCIAL REPORTS

### 1. General information

URA Holdings Plc ('the Company' or 'URA') is domiciled in England having been incorporated on 11 January 2005 under the Companies Act with registered number 05329401 as a public company limited by shares. The Company's shares were delisted from trading on the AIM Market ("AIM") of the London Stock Exchange plc on 20 December 2018.

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

In the opinion of the Directors the financial statements present fairly the financial position, and results from operations and cash flows for the period in conformity with the generally accepted accounting principles consistently applied.

### 2. Accounting policies

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) The financial statements have also been prepared in accordance with IFRS's adopted by European Union and therefore the Company's financial statements comply with article 4 of the EU IAS Regulation.

#### ***Basis of preparation and going concern***

The financial statements are prepared on the going concern basis, under the historical cost convention as modified for fair value accounting, if applicable. The financial statements are presented in Pounds Sterling and have been rounded to the nearest £'000.

At 31 December 2020 the Company had cash resources of approximately £45,000 which, given the current activities of the Company provides it with sufficient available resources to meet all of its commitments for the next 12 months and, accordingly these financial statements are prepared on a going concern basis.

#### ***Cash and cash equivalents***

Cash and cash equivalents are carried in the statement of financial position at cost and comprise cash in hand, cash at bank, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are included within borrowings in current liabilities on the statement of financial position. For the purposes of the statement of cashflows, cash and cash equivalents also includes any bank overdrafts.

#### ***Deferred taxation***

Deferred income taxes are provided in full, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income taxes are determined using tax rates that have been enacted or substantially enacted and are expected to apply when the related deferred income tax asset is realised or the related deferred income tax liability is settled.

The principal temporary differences arise from depreciation or amortisation charged on assets and tax losses carried forward. Deferred tax assets relating to the carry forward of unused tax losses are recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

**Foreign currencies****(i) Functional and presentational currency**

The Directors consider Pound Sterling to be the Company's functional currency, therefore the financial statements are presented in GBP Pound Sterling which varies from previous years. The 2019 figures have been restated at the exchange rate as of 30 June 2019 from US\$ to Pound Sterling.

**(ii) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

Monetary assets and liabilities denominated in foreign currencies are translated at the rates ruling at the statement of financial position date. All differences are taken to the statement of comprehensive income.

**Financial instruments****Financial assets**

Basic financial assets, including trade and other receivables and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. The Company currently has no financial assets that are considered to be of a financing transaction nature.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

**Investments**

Investments are recognised at the lower of cost or market value.

**Financial liabilities**

Basic financial liabilities, including trade and other payables, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method. Trade 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. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

**Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the increase of new shares or options are shown in equity as a deduction from the proceeds.

**Share based payments**

The Company enters equity-settled share-based compensation plans with its Directors and contractors, in which the counterparty provides services to the Company in exchange for remuneration in the form of certain equity instruments of the Company. The equity instruments comprise warrants and share options.

The services received by the Company in these share-based payment agreements are measured by reference to the fair value of the equity instruments

at the date of grant and are recognised as an expense in the statement of total comprehensive income with a corresponding increase in equity.

The Company estimates the fair value of the equity instruments at the grant date using the Black Scholes model in which the terms and conditions upon which those equity instruments were granted are considered.]

#### **Convertible loan notes ("CLN")**

In accordance with IAS 32 the Company has classified the convertible debt in issue as a compound financial instrument.

The CLNs were issued in Pound Sterling (the functional currency of the Company). Under the terms of these CLNs, the loan instruments were considered to be financial liabilities since there is an obligation to settle cash which the issuer cannot avoid. Since the CLNs include a term whereby a 30% discount is given on the IPO issue price, and since the value of the 30% discount cannot be known at inception of the CLN the number of potential shares is not known.

#### **Adoption of new and revised standards and changes in accounting policies**

The following new and amended Standards and Interpretations have been issued and are effective for the current financial period of the company.

#### **Covid-19-Related Rent Concessions (Amendment to IFRS 16)**

In the current period, the Company applied Covid-19-Related Rent Concessions (Amendment to IFRS 16). The amendment is effective for annual periods that begin on or after 1 June 2020. However as the Company has qualifying rent concessions during the period ended 31 December 2020 the Company has applied this amendment from 1 January 2020.

The Company has applied the practical expedient in the amendment, which permits reductions in rent payments granted as a direct consequence of the Covid-19 pandemic and originally due on or before 30 June 2021 to be credited to the profit and loss account, rather than requiring remeasurement of the lease.

This amendment is not applicable to the Company as there were no rent concessions as a consequence of Covid-19.

#### **Other amendments**

In the current period, the Company has applied a number of amendments to Standards and Interpretations issued by the IASB that are effective for an annual period that begins on or after 1 January 2020. These have not had any material impact on the amounts reported for the current and prior years.

<b>Standard or Interpretation</b>	<b>Effective for annual periods commencing on or after</b>
Definition of a Business (Amendments to IFRS 3)	1 January 2020
Amendments to IAS 1 and IAS 8 - definition of material	1 January 2020
Conceptual Framework - Amendments to References to the Conceptual Framework in IFRS Standards	1 January 2020

#### **Standards which are in issue but not yet effective**

At the date of authorisation of these financial statements, the Company has not early adopted the following amendments to Standards and Interpretations that have been issued but are not yet effective:

<b>Standard or Interpretation</b>	<b>Effective for annual periods commencing on or after</b>
Narrow scope amendments to IFRS 3, IAS 16 and IAS 37	1 January 2022
Annual improvement to IFRS Standards 2018-2020	1 January 2022
Amendments to IAS 1: Classification of Liabilities as Current or Non-Current	1 January 2022

***Adoption of new and revised standards and changes in accounting policies***

As yet, none of these have been endorsed for use in the UK and will not be adopted until such time as endorsement is confirmed. The Directors do not expect any material impact as a result of adopting the standards and amendments listed above in the financial year they become effective.

From 1 January 2021 the Company will apply UK-adopted IAS. At the date of application, both UK-adopted IAS and EU-adopted IFRS will be the same.

**3. Restatement of prior year financial statements**

The Company has decided to change the currency in which it presents its financial results from USD \$ to GBP Pound Sterling. To assist shareholders during this change comparative financial information for the financial year ended 30 June 2019 is re-presented in GBP Pound Sterling.

In order to satisfy the requirements of IAS 21 with respect to a change in presentation currency, the statutory financial information as previously reported in the Company's Annual Reports for the year ended 30 June 2019 has been restated from USD \$ to GBP Pound Sterling using the procedure outlined below:

- assets and liabilities of foreign operations where the functional currency is other than GBP Pound Sterling were translated into GBP Pound £ sterling at the relevant closing rates of exchange. Non-sterling trading results were translated into GBP Pound Sterling at the relevant average rates of exchange. Differences arising from the retranslation of the opening net assets and the results for the period have been taken to the foreign currency translation reserve;
- share capital, share premium and other reserves were translated at the historic rates prevailing at the dates of transactions; and
- all exchange rates used were extracted from the Bank of England's historical database daily spot exchange rates.

**4. Taxation**

	<b>2020</b>	2019
	<b>£'000s</b>	£'000s
UK Corporation tax	-	-
Deferred tax	-	-
Total tax charge	-	-
The tax charge can be reconciled to the loss for the period as follows:		
Loss for the period	(173)	(555)
Tax at the standard rate of UK corporation tax of 19% (2019: 19%)	(33)	(105)
<i>Effects of:</i>		
Disallowed expenses	27	61
Tax losses carried forward not yet recognised as a deferred tax asset	6	44

Total tax charge - -

As at 31 December 2020 the Company had unused tax losses of £3.2 million (2019: £3.1 million) available for offset against future non-trading profits. The deferred tax asset relating to these losses is not provided for due to the uncertainty over the timing of any future non-trading profits.

## 5. Loss for period

	2020 £'000s	2019 £'000s
The Company's loss from continuing operations is stated after charging/(crediting):		
Audit	6	8
Accounting	13	-
Broker/Nomad	-	24
Directors' remuneration	-	14
General expenses	16	14
Professional/legal	7	22
Change in fair value of investments	86	141
RTO due diligence costs	-	145
Share based payment expense	45	180
<b>Closing balance</b>	<b>173</b>	<b>548</b>

## 6. Staff Costs (including Directors)

Key management of the Company are considered to be the Directors of the Company and their accrued remuneration was as follows:

	2020 £'000s	2019 £'000s
Peter Redmond	-	4
Colin Weinberg	-	-
Melissa Sturgess	-	4
Alex Gostevskikh	-	6
<b>Closing balance</b>	<b>-</b>	<b>14</b>

The key management personnel are considered to be the Directors.

## 7. Other Receivables

	2020 £'000s	2019 £'000s
Prepayments	2	-
Sundry debtors	15	-
VAT recoverable	9	8
<b>Closing balance</b>	<b>26</b>	<b>8</b>

The Directors consider that the carrying amount of other receivables is approximately equal to their fair value.

## 8. Non-current assets

### *Investments - available for sale*

	2020 £'000s	2019 £'000s
<b>Cost and net book value</b>		
At beginning of period	259	-
Additions	-	400



Change in fair value	(86)	(141)
<b>Closing balance</b>	<b>173</b>	<b>259</b>

In May 2019 the Company invested in a developing cannabis company, Ananda Developments plc ("Ananda") (AQSE:ANA). The Company invested £400,000 to acquire 88,888,888 Ananda shares at price of £0.0045 per share, each with an attaching 3 year warrant also exercisable at £0.0045 (together "the Ananda investment").

The Ananda investment was subject to a 12 month escrow against dealing with the Ananda shares and warrants. Once this escrow period had passed (after 10 June 2020) the Board had committed to make a distribution of the entire Ananda investment to the shareholders in URA who had been on the shareholder register as at the date that the commitment to distribute had been made.

A former director, Ms Melissa Sturgess, is an Ananda executive director with a substantial shareholding in Ananda. As such this transaction was a related party transaction upon which Ms Sturgess did not vote. The transaction was approved by all other directors.

## 9. Trade and other payables

	2020 £'000s	2019 £'000s
Trade payables	8	8
Accruals	10	-
<b>Closing balance</b>	<b>18</b>	<b>8</b>

The Directors consider that the carrying amount of trade payables approximates to their fair value.

## 10. Convertible Loan Notes

	2020 £'000s	2019 £'000s
Loan Notes issued during the period	55	-
<b>Closing balance</b>	<b>55</b>	<b>-</b>

The Convertible Loan Notes ("CLNs") are unsecured and are convertible into ordinary shares at a 30% discount to the price at which the Company raises equity finance in a qualifying financing (which is essentially any issue of equity to a value of more than £150,000 in the 15 month period following the issue of the CLNs or such other amount as the Directors may from time to time determine). The CLNs carry interest at a rate of 6% per annum which rolls up and are subject to conversion into equity in the event of a qualifying financing. If no qualifying financing occurs, the CLNs will be repaid in full at their maturity date which is the day which falls 15 months after the date of issue of the CLNs. The Directors can also notify the holders of a conversion at any time up to thirty days from the maturity date.

## 11. Share capital

	2020 £'000s	2019 £'000s
Allotted, called up and fully paid share capital	1,209	1,209
Movements in Equity		
	<b>Issue price</b>	<b>Number of shares on issue</b>
Opening balance of ordinary shares of 0.15p each		267,893,392
Warrants exercised	£0.009	-
<b>Closing New Ordinary Shares on issue</b>		<b>267,893,392</b>

The Company has one class of ordinary shares which carry no right to fixed income.

### **Events after the period end date**

On 7 January 2021 the Company confirms that existing ordinary shares of £0.15 pence each were subdivided into new ordinary shares of £0.0001 pence each and new deferred shares of £0.1499 pence each. The Company also confirms that every 100 of the ordinary shares created were consolidated into one new ordinary share of 0.01 pence each. The new ordinary shares shall have the same rights and are subject to the same restrictions as the existing ordinary shares were in issue and set out in the Articles. The new deferred shares shall also have the same rights and are subject to the same restrictions as the existing deferred shares of £0.9 pence as set out in Article 4A of the Articles of Association of the Company.

The Company applied to the High Court to sanction a capital reduction to create distributable reserves to enable the Company's holding of shares and warrants in Ananda to be distributed to shareholders in the Company as an in-specie dividend. On 7 May 2021 this process was completed through the auspices of Ananda's registrars and shareholders in the Company.

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