22 December 2017

RNS Announcement: The information communicated in this announcement contains inside information for the purposes of Article 7 of Regulation 596/2014.

Concha PLC

("Concha" or the "Company")

Final Results for the year ended 30 June 2017

Concha (AIM: CHA), the AIM quoted investment company focussed on investing in media, communications and technology companies, announces its audited results for the year ended 30 June 2017.

A copy of the Annual Report and Accounts for the year ended 30 June 2017 will be posted to shareholders today and made available on the Company's website in accordance with the AIM Rules for Companies; www.concha-plc.com .

Enquiries:

Concha PLC
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CHAIRMAN'S STATEMENT

Despite the challenges that followed the appointment of administrators to Ve Interactive Limited in April of this year, in the months following this reporting period, Concha has sought to add to its investment portfolio and bolster its cash reserves via the placing of new equity.

Ve Interactive Limited ("Ve")

On 3 October 2017, we updated the market as to the status of the current challenges to the appointment of the administrators of Ve. At the time of writing this statement, Martin King, a former director of Ve, has been declared bankrupt and David Brown, Ve's former CEO is pursuing a similar path and has filed for bankruptcy. On 30 November 2017, both Messrs Brown and King were made the subject of a High Court Order, under which each was deemed to owe certain creditors personally including a lending institution the sum of £3.5m. In addition, the ruling sought to freeze the worldwide assets of both former directors in a case where the judge referenced "strong evidence" for "unacceptably low standards of commercial morality." This latest development in combination with numerous other allegations levied against both Messrs King and Brown in connection with the demise of Ve have been well documented in the British press.

As outlined in our October 2017 release, in the event that Messrs Brown and King's applications for bankruptcy were successful, any ability for Concha to instigate legal proceedings against these former Ve executives would be met with limited success. Given these rulings and the protections afforded by the bankruptcy process, your Board sees little merit in furthering any claims against Brown and King personally.

As you will also be aware, certain former shareholders of Ve had sought to challenge the process by which the administrators were appointed following its collapse in April of this year. The first of these challenges is due to be heard in January 2018. It is anticipated that if this initial challenge is successful, certain of the former shareholders of Ve may be offered the opportunity to join this shareholder action in an arrangement that would require a commitment to the ongoing legal and professional fees associated with continuing the action in exchange for participation in any settlement arrangements that may result. Your Board will closely monitor developments and advise on any future participation in due course.

UcaDO

In October 2017, Concha was pleased to announce that it had invested £175k by way of a convertible loan note in TheBuyerPool Limited t/a UcaDO, a company that has developed a proprietary platform to facilitate the free listing of both owned and rented, residential and commercial property, by property owners and landlords to prospective buyers and tenants alike. As the market share for these new virtual or hybrid estate agents increases, the Board believes that UcaDO's "peer to peer", free to use property listing service will initially offer a compelling supplement to any sales or rental initiative, and in time a genuine "go to" destination for all property transactors.

Since the loan was advanced UcaDO has continued to refine its mobile app in preparation for launch in 2018. The management team has been supplemented by some strong recruitment hires in the key areas of sales, marketing and development and extensive dialogue has been established with many of the UK's housebuilders whose new inventory would extend both the depth and breadth of properties accessible via UcaDO's platform. UcaDO has also sought to supplement its non-executive representation, and is now in advanced discussions with a number of seasoned industry professionals whose depth of knowledge will provide invaluable support to the executive management team.

UcaDO is also assessing a number of strategic alliances with certain other virtual or hybrid agencies. In securing a greater presence in this growing sector, the board of UcaDO feel that its "peer to peer" platform would not only extend the reach of a hybrid or virtual agency but also provide it with access to a greater depth of property inventory and an established user base particularly within the rental sector.

Your Board will continue to update you with regards to UcaDO's progress as it prepares for launch early next year.

Equity Fund Raising

In order to further strengthen its balance sheet, the Company raised £0.42 million in September 2017 by way of a subscription for 120,000,000 new ordinary shares at 0.35p per share.

The Works

After a challenging couple of years, impacted by the various bribery and corruption scandals that reverberated through a number of the major International Sports Federations and resulted in more rigorous and extended tender processes, we are pleased to report that despite these market conditions, Works has cemented its position with many of the leading global sports federations. In the six months to October 2017 revenues at Works reflect a 22% year on year uplift and monthly return on sales are returning near double digit performances.

Whilst Concha was able to support its investee business during this period of instability, the business is now cash generative and its performance is such that it is now able to provide a return to those providers of finance who have supported the business over the last couple of years.

In recent months, Works has successfully tendered for projects including the FIFA Women's World Cup 2019, FEI World Championships 2018, FIBA Basketball World Cup 2018 and FIFA's World Cup Russia 2018 competition rollout and further extended the number of sporting federations it has now worked with. In order to scale more rapidly, the management of Works believes that it must now offer itself as a consolidation target where Work's extensive sports related engagements could complement a combined or group offering. Concha has actively supported this strategic thinking and has initiated a number of discussions with prospective suitors where Works services and client portfolio would clearly extend their existing offerings.

Future

As a consequence of the regulatory interpretation of the recent events at Ve, Concha became an AIM Rule 15 Cash Shell with effect from 3 October 2017. As such Concha has six months from the date it became an AIM Rule 15 Cash Shell to either make an acquisition or acquisitions that either constitute a reverse takeover ("RTO") in accordance with AIM Rule 14 or convert into an AIM Rule 8 Investing Company or face its shares being suspended from trading.

Your Board is obviously keen to react to this change of status and is currently considering the merits of a number of businesses as suitable RTO targets. Whilst your Board is giving appropriate consideration to the opportunities for shareholders afforded by an RTO, it will only do so on the basis that it can agree terms with a target in which it feels will provide its shareholder base with a genuine opportunity for an uplift in shareholder value.

In the event that it is not able to progress these discussions to a positive conclusion, your Board is also considering migrating its listing to an alternative recognized investment exchange in order to further its preferred strategic direction of being able to secure "early stage" equity interests in innovative concepts of a disruptive nature where the opportunities for growth and mass user adoption are significant.

Despite the challenges faced, your Board will continue to seek to ensure that not only are these short term obstacles overcome but that most importantly Concha is re-positioned to restore shareholder value and exploit certain of the various opportunities that it has identified in recent months.

I would finally like to close by thanking our shareholders and advisers for their continued patience during what has been a difficult period and for their ongoing support for both the Board and its intentions for the future.

INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF CONCHA PLC

Opinion

We have audited the financial statements of Concha plc for the year ended 30 June 2017 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Cash flow statement 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 30 June 2017 and of the company’s 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.

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.

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 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 going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

• the directors’ use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
• the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company’s ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Our assessment of risks of material misstatement

Risk Area: Going Concern
Income is derived from investments which depend on products generating future revenue. Should these products not generate expected future revenue there is an increased risk that the company may cease to be a going concern.

Our Response: Going Concern
We reviewed cash flow projections prepared by the directors, for which they are solely responsible, for the period ended 31 December 2018 and considered the reasonableness of the cash expenditure projected by the directors over that period. We also considered and discussed with the directors the discretion that they had over the nature and level of expenditure to be incurred in the event that actual events materially deviated from their expectations during the period ending 31 December 2018. We also considered the income levels forecast by the directors as well as the likely alternative sources of finance should the directors need to raise additional funding during the period ending 31 December 2018.

Risk Area: Valuation of investments
The company holds unlisted shares and securities for which there are no quoted market prices and which require valuation techniques to be used which are not based on observable market data. Accordingly, such valuations are subject to judgement by the directors.

Our Response: Valuation of investments
We reviewed the basis of the valuations prepared by the directors and considered the reasonableness of the judgements made by them. We discussed with and challenged the directors on the bases adopted when valuing the unlisted shares and securities. We also considered the reasonableness of the valuation approaches adopted.

Our application of materiality
The scope and focus of our audit was influenced by our assessment and application of materiality. We define materiality as the magnitude of misstatement that could reasonably be expected to influence the readers and the economic decisions of the users of the financial statements. We use materiality to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the financial statements as a whole.

Due to the nature of the company we considered the value of the investments to be the main focus for the readers of the financial statements, accordingly this consideration influenced our judgement of materiality. Based on our professional judgement, we determined materiality for the company to be £38k based on 2% of gross assets of the draft financial statements.

On the basis of our risk assessments, together with our assessment of the overall control environment, our judgement was that performance materiality (i.e. our tolerance for misstatement in an individual account or balance) for the company was 75% of materiality namely £28.5k.

We agreed to report to the Audit Committee all audit differences in excess of £1.9k, as well as differences below that threshold that, in our view warranted reporting on a qualitative grounds. We also reported to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

An overview of the scope of our audit
A description of the scope of an audit of the financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

The audit was scoped by obtaining an understanding of the Company and its environment, including the Company's system of internal control, and assessing the risks of material misstatement at Company level. Audit work to respond to the assessed risks was performed directly by the Company audit engagement team which performed full scope audit procedures. The audit work was executed at a level of materiality noted above.

In order to maintain our knowledge of the company and the risks it faces, the senior statutory auditor and the audit manager met a senior member of the company's finance team.

Other information
The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

Opinions on other matters prescribed by 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.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent 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 by the company, or returns adequate for our audit have not been received from branches not visited by us; or

• the financial statements 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.

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.

Auditor's 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.

Laura Mott (Senior Statutory Auditor)
10 Queen Street Place
London
For and on behalf of
haysmacintyre, Statutory Auditors

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2017

	2017 £000's	**2016 £000's**
Revenue	8	15
GROSS PROFIT	8	15
Administrative expenses	(583)	(1,006)
LOSS FROM OPERATIONS BEFORE EXCEPTIONAL ITEM	(575)	(991)
Exceptional items	(4,347)	-
LOSS FROM OPERATIONS	(4,922)	(991)
Investment income	-	7
LOSS BEFORE TAX	(4,922)	(984)
Tax	-	-
RETAINED LOSS AFTER TAX FOR THE YEAR	(4,922)	(984)
RETAINED LOSS ATTRIBUTABLE TO		
Owners of the company	(4,922)	(984)
LOSS FOR THE YEAR	(4,922)	(984)
TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO:		
Owners of the company	(4,922)	(984)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	(4,922)	(984)
Loss per share		
Basic	(0.00303)	(0.00062)

Diluted	(0.00303)	(0.00062)

STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2017

	2017 £000's	**2016 £000's**
ASSETS		
Non-current assets		
Property, plant & equipment	26	-
Investments	514	514
	540	514
CURRENT ASSETS		
Trade and other receivables	331	4,509
Cash and cash equivalents	505	1,255
	836	5,764
TOTAL ASSETS	1,376	6,278
EQUITY AND LIABILTIES		
EQUITY		
Share capital	1,623	1,623
Deferred share capital	1,795	1,795
Share premium reserve	21,563	21,563
Share based payment reserve	593	583
Retained loss	(24,289)	(19,367)
TOTAL EQUITY	1,285	6,197
CURRENT LIABILITIES		
Trade and other payables	91	81
TOTAL EQUITY AND LIABILITIES	1,376	6,278

STATEMENT OF CHANGES IN EQUITY

FOR THE YEARS ENDED 30 JUNE 2016 AND 2017

	Share Capital £000's	Deferred Share Capital £000's	Share Premium Account £000's	Share based Payment Reserve £000's	Retained Loss £000's	Total £000's
Balance at 1 July 2015	1,478	1,795	21,043	314	(18,383)	6,247
Loss for the year	-	-	-	-	(984)	(984)
Total comprehensive loss for 2016	-	-	-	-	(984)	(984)
Share capital issued	145	-	520	-	-	665
Share based payments	-	-	-	269	-	269
Balance at 30 June 2016	1,623	1,795	21,563	583	(19,367)	6,197

	Share Capital £000's	Deferred Share Capital £000's	Share Premium Account £000's	Share based Payment Reserve £000's	Retained Loss £000's	Total £000's
Balance at 1 July 2016	1,623	1,795	21,563	583	(19,367)	6,197
Loss for the year	-	-	-	-	(4,922)	(4,922)
Total comprehensive loss for 2017	-	-	-	-	(4,922)	(4,922)
Share based payments	-	-	-	10	-	10
Balance at 30 June 2017	1,623	1,795	21,563	593	(24,289)	1,285

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2017

	2017 £000's	2016 £000's
Loss for the year	(4,922)	(984)
Share based payments	10	269
Investment income	-	(7)
Depreciation	2	-
Exceptional items	4,347	-
Operating cash flows before movements in working capital	(563)	(722)
Increase in receivables	(169)	(115)
Increase in payables	10	27
	(722)	(810)
Investment income	-	7
Net cash flow from operating activities	(722)	(803)
Cash flow from investing activities		
Purchase of investments	-	(4,154)
Purchase of property, plant & equipment	(28)	-
Net cash outflow from investing activities	(28)	(4,154)
Cash flow from financing activities		
Net proceeds from issue of share capital	-	665
Net cash inflow from financing activities	-	665
Net cash outflow for the year	(750)	(4,292)
Cash and cash equivalents at start of year	1,255	5,547
Cash and cash equivalents at the end of the year	505	1,255

NOTES TO THE FINANCIAL STATEMENTS

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Consolidated financial statements exemption

As an investment company, Concha PLC is exempted from the obligation of preparing consolidated results despite its group status. Its 100% subsidiary entity, Concha Investments Limited is recognised at fair value with all movements in the market value going through the statement of comprehensive income. All investments are held as Level 3 in the fair value hierarchy, being financial instruments whose fair value is determined in whole or in part using valuation techniques based on assumptions that are not supported by prices from observable market transactions in the same instrument and not based on available observable market data. In this instance the historic cost is deemed to be the fair value.

Going Concern

The directors have prepared and reviewed cash flow projections for the period ending 31 December 2018 and we are optimistic that the company will make significant progress towards these targets. Having considered these forecast cash flows together with the availability of other potential financing sources, including equity finance, the directors have concluded that the Company will have access to sufficient resources to meet its working capital commitments for at least the next 12 month from the date of this report. Furthermore, the directors believe that investments made post the year end could be realised in part thus providing further liquidity.

Therefore, based on the developments disclosed above, the directors have reasonable expectation that the Company have adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

The financial statements do not include any adjustments that would be necessary should this basis not be appropriate.

EXCEPTIONAL ITEMS	**2017** **£000's**	**2016** **£000's**
Exceptional items comprise the following:		
Provision in respect of amounts owed by subsidiary and investee companies	4,347	-
	4,347	-

POST BALANCE SHEET EVENTS

On 19 September 2017, 120,000,000 0.1p Ordinary shares were issued for a cash consideration of £420,000.

On 3 October 2017, a total of 115,000,000 share options granted under the Concha PLC 2016 Unapproved Share Option Incentive Scheme to the directors of the Company were cancelled. The cancelled Options were originally granted with an exercise price of 1.18p and were voluntarily surrendered by the holders for no consideration.

With effect from 3 October 2017, Concha was deemed to be an AIM Rule 15 Cash Shell.

The Directors were not aware of any significant post balance sheet events other than those set out above.

The full financial statements including all notes are available in PDF download on the Company's website www.concha-plc.com